Passed
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Sectt. II-27—104/606—4-11-49.

Development (1951) Department.

MS SERIES.

G.O. NO. 1858
Dated 23-4-51.

[Despatch Abstract.]

Companies — Associations not for profit
the Kanara Chamber of Commerce —
Articles of Associations) — Amendments
Approved

THE KANARA CHAMBER OF COMMERCE,

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 25th September, 1950.

REGD. A.D.

ADDITIONAL AS. 30 SEP 1950 DL

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

C.No. 98870-K/50 30-9-50

Sir,

COMPANIES which have obtained licences under Section 26 of the Indian Companies Act 1913- The Kanara Chamber of Commerce Mangalore- Alterations in the Articles of Association- Previous approval of the Government sought.

Ref:- Government Memorandum No.33141-V/38-3 Development, dated the 17th January, 1939.

At a meeting of the Committee of this Chamber held on 22nd September, 1950 it was resolved to call an Extraordinary General Meeting at an early date to consider and pass a Special Resolution to amend the Articles of Association of this Chamber, as detailed in the Annexure and before proceeding to call the said meeting, we have to submit for your previous approval, the said amendments, with reference to the Government Memorandum cited above.

We request you to grant us your early sanction and approval of the same.

In the light of the experience gained so far in the working of the Chamber, it has been found essential to adopt the proposed amendments in our Articles of Association, for the better working of the Chamber. These amendments are within the powers of the General Body and are within the scope of the Memorandum of Association and the Indian Companies Act, 1913. In view of the necessity to give effect to the proposed amendments as from 1st January 1951 a general body meeting of the members of this Chamber has to be convened as early as possible. In order to enable us to proceed likewise, your immediate attention is invited to this matter and your kind approval at an early date is sought.

The proposed amendments in the Annexure are sent in triplicate together with a copy of the existing Articles of Association of the Chamber attached to each.

Thanking you,

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,

Hon. Secretary.
25/9

2/ Home GP 8/9/50 112/4/10 Dev. Dept

Endt: No: 98870-K/50-1 dated.- 3-10-50. 9-50.

Referred to the R.J.S.C. for urgent remarks.

BK 30-9-50 GP 30/9/50 3/10/50.

To the R.J.S.C.
(with copy of pp. 1-9 of and the booklet (D)).

GP 24/9/10 R.D. 24 10-50.

N.R. 7-11-50

THE KANARA CHAMBER OF COMMERCE, MANGALORE

Annexure

Proposed Amendments to the Articles of Association of the Chamber.

I. For Article No. 1 of the existing Articles of Association, the following Article is proposed to be substituted.-

" 1. In these Articles, unless there be something in the subject or context inconsistent therewith:-

(a) "THE CHAMBER" means THE KANARA CHAMBER OF COMMERCE, MANGALORE, licensed under Section 26 of the Indian Companies' Act 1913.

(b) "MEMBER" means a member of the Chamber, "Ordinary" or "Affiliated" or the representative thereof, for the time being, if any.

(c) "ORDINARY MEMBER" means a member carrying on business or residing or having a place of business or a branch office within the limits of the district of South Kanara and entered as such in the Register of Members.

(d) "AFFILIATED MEMBER" means a Trade Association admitted as an affiliated member and entered as such in the Register of Members.

(e) "INDIVIDUAL MEMBER" means a member in his individual capacity.

(f) "REPRESENTATIVE" of a firm or joint family means a member thereof or a person who is a responsible officer or a partner of the firm or family business concerned and who has been nominated or authorised in writing, by the firm or joint family concerned to represent it for the time being as member of the Chamber.

(g) "REPRESENTATIVE" of a company or corporation means a Director, Managing Director, Manager or Branch Manager, Secretary or Officer in charge of the branch thereof or a responsible Officer of the company or corporation and who has been nominated or authorised in writing, by the company or corporation to represent it for the time being as member of the Chamber.

(h) "REPRESENTATIVE" of an affiliated member means either the President, or any one of the Vice Presidents or Secretaries or members of the Executive Committee and who has been nominated or authorised in writing, by the affiliated member to represent it for the time being as member of the Chamber.

(i) "HONORARY MEMBER" means a member whose rights and obligations are limited to those detailed in Article 11.

(j) "THE PRESIDENT" means the President for the time being of the Chamber.

(k) "THE VICE PRESIDENT" means the Vice President for the time being of the Chamber.

(l) "THE TREASURER" means the Treasurer for the time being of the Chamber.

(m) "THE SECRETARY" means either or both the Secretaries for the time being of the Chamber and shall mean and include any one performing the duties of the Secretary temporarily under these Articles.

(n) "THE COMMITTEE" means the Committee for the time being of the Chamber

(o) "ARTICLES" means the Articles of Association of the Chamber as originally framed or amended or altered from time to time in pursuance of the provisions of the Indian Companies' Act,1913, hereinafter called the "Act" or any amendment thereof for the time being in force.

(p) "MEMORANDUM" means the Memorandum of Association of the Chamber as originally framed or amended or altered in pursuance of the provisions of the Act or any amendment thereof for the time being in force.

(q) "YEAR" means Calendar Year.

And unless the context otherwise requires, expressions defined in the Indian Companies' Act 1913, shall have the meanings so defined."

II. For Article No.4, the following Article is proposed to be substituted.-

"4. There shall be three classes of Members, namely, Ordinary Members, Affiliated Members and Honorary Members. "

III. For Article No.6, the following Article is proposed to be substituted.-

" 6. Merchants, Bankers, Ship-owners, Commercial, Railway, Shipping, Transport and Insurance Companies and persons engaged therein, Brokers and persons engaged in or connected with Commerce, Agriculture, Mining, Manufacturing, Art, Science, Literature, or Law and Trade Associations protecting or promoting or engaged or interested in Trade, Commerce, Banking, Insurance, Transport, Mining, Manufacturing or other business shall be eligible for membership. Provided that such persons or individuals do generally reside in the district of South Kanara and in the case of a firm, company, corporation or association that it has a place of business or a branch office within the limits of the district of South Kanara."

IV. For Article No.7, the following Article is proposed to be substituted.-

" 7.These Articles relating to membership of the Chamber shall apply to firms, joint stock companies, other corporations or associations who may become members in their conventional or corporate name and the rights and privileges of membership may be exercised by their respective representatives as mentioned in these Articles."

V. For Article No.8, the following Article is proposed to be substituted.-

" 8. Persons, firms, joint stock companies, other corporations or associations who are desirous of becoming members, shall properly and completely fill in the admission form with the details required therein and sign the same and shall be duly proposed by one and seconded by another member of the Chamber. The admission form shall be sent to the Secretary together with the requisite entrance fee and subscription, who shall bring it before the Committee hereinafter mentioned, who will decide upon the admission of the applicant, by a majority of votes and their decision as to the eligibility or otherwise shall be final. When a candidate is duly admitted, his admission shall be notified to him by the Secretary. In case any such application is rejected the amounts paid shall be refunded to the candidate."

VI. For Article No.9, the following Articles are proposed to be substituted.-

" 9(1). On and after 1st January 1951, the entrance fee of each

Ordinary Member shall be Rs.10/- payable with the application for admission. Provided that the said entrance fee may be increased from time to time to an amount not exceeding Rs. 25/- if so determined by a resolution of the Chamber in general meeting.

(2) On and after 1st January 1951 the entrance fee of each Affiliated Member shall be Rs. 25/- payable with the application for admission. Provided that the said entrance fee may be increased from time to time to an amount not exceeding Rs. 35/- if so determined by a resolution of the Chamber in general meeting."

VII. For Article No.10 the following Articles are proposed to be substituted.-

"10(1) On and after 1st January 1951 the annual subscription of each Ordinary Member shall be Rs. 24/- due to be paid on the first working day in January each year. Provided that the said subscription may be increased from time to time to an amount not exceeding Rs. 36/- per annum, if so determined by a resolution of the Chamber in general meeting.

(2) On and after 1st January 1951, the annual subscription of each Affiliated Member shall be Rs. 50/- due to be paid on the first working day in January each year. Provided that the said subscription may be increased from time to time to an amount not exceeding Rs. 100/- per annum, if so determined by a resolution of the Chamber in general meeting.

(3) Members admitted on or after 1st July in any year shall pay half the amount of annual subscription for the remainder of that year."

VIII. For Article No. 15 the following Article is proposed to be substituted.-

"15. A member must give written notice to the Secretary, one calendar month before the expiration of his subscription year or half-year as the case may be, of his wish to retire, failing which he will be liable for the subscription for the ensuing year. Upon the expiration of the notice, such member shall cease to be a member."

IX. Article No.17 is proposed to be re-numbered as Article 17(1).

X. After the proposed Article No.17(1) the following Article is proposed to be added as Article No.17(2).-

" 17(2). Any member who has ceased under Article 12 (1)(2)(3) and 15 shall, however, be eligible for re-admission as a member subject to the provisions of Article 8 and upon payment of all moneys which at the time when such member ceased to be a member, might be due from such member to the Chamber. "

XI. For the word 'three' in Article No.33, the word 'five' is proposed to be substituted(To conform to the compulsory regulation 56 of Table A of the Indian Companies' Act 1913).

The Article as proposed to be amended reads as follows.-

"33. At every general meeting all questions shall be determined immediately by a show of hands; unless a poll is demanded by atleast five members, a declaration by the Chairman that a resolution special or otherwise has been carried with the requisite majority and an entry to that effect in the book of Proceedings of the Chamber shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution."

XII. After clause (12) of Article No.52, the following clause is proposed to be added as clause (13).-

"(13) To provide, undertake surveys of all commodities, merchandise and goods of import and export, as may be referred to the Chamber and to issue certificates of origin, certificates of quality, condition, weight or measurement in respect of such goods and to lay down rules and regulations governing such surveys and the issue of such certificates and to levy, collect and pay such charges and expenses as are necessary in that connection."

XIII. After the proposed clause (13) of Article No.52, the following clause is proposed to be added as clause (14).-

"(14). To consult, appoint and nominate persons, Counsels, Vakils, Solicitors and Pleaders, to advise them on all or any matters connected with the Chamber and to authorise all or any of them to represent the Chamber in all duly constituted Courts of Law, either Civil, Criminal or Revenue and Arbitration Courts, either as Plaintiffs or Defendants, and to represent them before any Officer or body of men or the Legislatures and Ministers of the Government of any State or the Government of the Union of India or before Committees or Standing Committees in connection with any measure or Bill connected with the welfare of Indians in general and particularly of any measure connected with the commerce of this district and of India."

XIV. For Article No.66 the following Article is proposed to be substituted.-(To conform to Section 131A of the Indian Companies Act)

" 66. Every such Balance Sheet shall be accompanied by a report of the Committee as to the financial state and condition of the Chamber and shall be signed by all members of the Committee or by the President of the Chamber, if so authorised by the Committee in its behalf."

(By Order)

D/25.9.1950.

HON.SECRETARY.

THE KANARA CHAMBER OF COMMERCE,

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

MANGALORE — SOUTH INDIA.
P. O. Box No. 110,

2 NOV 1950
DEVELOPMENT DEPARTMENT

Date 31st October, 1950.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

Sir,

COMPANIES which have obtained licence under Sec.26 of the Indian Companies Act, 1913- The Kanara Chamber of Commerce- Alterations in the Articles of Association Previous approval sought.
Ref: Chamber's letter to you dated 25.9.50.

1 The amendments proposed as per our above letter to you are of immediate necessity to us.

2 The amendments will have to be brought into force with effect from 1-1-1951. This necessitates calling of the Extraordinary General Meeting sufficiently in advance of this date, particularly, in view of the fact that the proposal -of enhancing the annual subscription, after the approval of the General Meeting, will have to be made known to all members throughout the district much in advance of 1-1-1951. Secondly, some of the members have been paying their subscription in advance of the commencement of the year i.e., in December and unless this practice of receiving the subscription in advance, is maintained, it will not facilitate collection of subscription from a large number of members in time. It is, therefore, necessary that we should be able to collect in advance the subscription as increased, by the amendment, in December next. For that purpose the General Meeting of members giving 21 days' notice will have to be held in November and therefore we request you to kindly accord your action very soon. Thanking you,

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE.

12

of the Kanara Chamber of Commerce have not yet been received. The R.J.S.C. has stated, in his interim reply dt. 28.10.50, that the Chamber has been ~~furnished~~ asked to furnish a revised list of the proposed amendments and that his remarks will be submitted on receipt of the same. ~~As already ordered on p.2 of~~ The remarks of the Registrar may be awaited till 17.11.50.

BR
4.11.50.

4/11/50.

THE KANARA CHAMBER OF COMMERCE,

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 31st October, 1950.

To

The Assistant Registrar of Joint Stock Companies,
South Kanara, Mangalore.

Sir,

COMPANIES- The Kanara Chamber of Commerce- Articles of Association- Amendments to- Proposal.

Ref: (1) Chamber's letter dated 26-9-50 to the Secretary to Government of Madras, Development Department.
(2) Your letter C.No.695-K-48 dated 25-10-50.

With reference to your above communication, we have to reply to you as follows.-

1. Reference is made to the decision of the Government communicated to the Southern India Chamber of Commerce saying that the enlistment of firms was objectionable. That does not imply that our representation on the subject can be treated to have been closed. As a matter of fact the Federation of Indian Chambers of Commerce and Industry, New Delhi, has already taken up this matter and is considering the same. An extract from their proceedings is enclosed herewith for your information.

2. It appears from the information gathered by this Chamber that the Government Solicitor's opinion which was the cause for holding the enlistment of firms as objectionable, is sought to be enforced in this district alone. To our knowledge no other district Chamber in this State is faced with an objection of this nature.

3. It is quite essential to secure greater uniformity in the application and interpretation of the Act throughout the Union and with that in view, the consideration of the Solicitor's opinion at a higher level becomes necessary. The Federation of Indian Chambers of Commerce and Industry is therefore moving

in this matter and it is also proposed to place this question before the Expert Committee now constituted by the Government of India to revise the Company Law, for their consideration and necessary recommendation to the Government.

4. In the fore-going circumstances, we desire to state that the question of amending the Articles so as to dis-allow firms, has to be considered quite separately in the light of a final decision of the Authorities at a higher level, following our efforts indicated above. The same may not, therefore, be insisted upon for consideration along with amendments already proposed as per our letter dated 25-9-1950.

5. The amendments proposed are of immediate necessity to us and hence the Government may be addressed to accord its approval at an early date.

7. The consequential amendments to Article 39,42 and 46 as suggested, are made and a list of such amendments is forwarded herewith.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,

Encl: 2.

Sd/- Hon. Secretary.

Copy with a copy of the enclosure, the list of further amendments and a copy of the Asst.Registrar's letter under reply, to:-

1) The Secretary to the Govt.of Madras, Development Department.
2) The Registrar of Joint Stock Companies, Madras.
3) The Southern India Chamber of Commerce, Madras.

THE KANARA CHAMBER OF COMMERCE, MANGALORE.

Supplement to the Annexure to Letter dated 25-9-1950 from the Hon. Secretary, The Kanara Chamber of Commerce, Mangalore to the Secretary to the Government of Madras, Development Department, Madras.

Proposed Amendments to the Articles of Association of the Chamber.

I. For Article 39, the following Article is proposed to be substituted

" 39. Every member shall have one vote."

II. For Article 42, the following Article is proposed to be substituted

" 42. The Committee of the Chamber shall consist of the President, the Vice-President, a Treasurer and a Secretary or two Joint Secretaries and also not exceeding 12 members elected from among the members."

III. For Article 46, the following Article is proposed to be substituted

" 46. Any member, any partner in or person holding a power of attorney or letter of procuration from a firm registered as a member in their conventional name, and any person being a responsible officer of any association or Joint Stock Company or other corporation registered as a member in his corporate name shall be eligible for election as President or Vice President or as an ordinary member of the Committee and during the tenure of office of such member no other partner or person representing the same firm, association, company or corporation as the case may be shall be eligible for election as an officer or member of the Committee."

(By Order)

HON. SECRETARY.

D/31-10-1950.

To

The Secretary to the Government of Madras,
Development Department,
Fort St. George, MADRAS.

Extract from the proceedings of the meeting of the Committee of the Federation of Indian Chambers of Commerce and Industry, New Delhi, held on Saturday, the 2nd September, 1950.

P 15 of (2)

1. Shri Ramanathan R. Chettiar referred to the letter from the Government of Madras to the Southern India Chamber of Commerce, pointing out that firms could not be included in the category of legal entities capable of membership of Chambers of Commerce as falling within the definition of 'person' under Section 4 of the Indian Companies Act and therefore the enlistment of firms as members of Chambers of Commerce, which are associations not for profit, registered under Section 26(1) of the Indian Companies Act, is objectionable.

2. The Committee noted that the Office was seeking legal opinion in the matter, and decided to await the receipt of the same to take such action as might be necessary.

(TRUE COPY)

Copy of Letter No.C.695-K-49 dated 25-10-1950 from the Asst.Registrar of Joint Stock Companies, South Kanara, Mangalore, to the Kanara Chamber of Commerce, Mangalore.

Dear Sir,

Sub: Articles of Association- Amendments to- proposal- instructions- issued.

Ref: Your reply to this office letter Ref. C.No.695-K-49 dated 7-8-50.

2. Copy of your letter dated 25-9-50 to the Secretary to Government of Madras. Development Department.

The Registrar of Joint Stock Companies, Madras has asked me in his proceedings C.No.3364/50 dated 12-10-50 to inform you that Government have already informed the Southern India Chamber of Commerce, that the enlistment of firms as members of Chambers of Commerce which are Associations not for profit registered under Section 26 of the Indian Companies Act,1913 is objectionable and to advise you to amend the articles suitably and forward a list of amendments as the articles even as proposed to be amended recognise firms as members.

2. I have been further directed to inform you that since Chamber members are proposed to be removed by the amendment proposed to Article 4 reference to the members in Articles 39, 42 and 46 should be deleted.

3. The steps taken by you in this direction may please be intimated to this office at a very early date.

Yours faithfully,

Sd. .....

For Asst. Registrar.

(TRUE COPY)

The Southern India Chamber of Commerce

GRAMS: INDCHAMBER
PHONE: --- 2529
NO. K. 2092/50.

INDIAN CHAMBER BUILDINGS
MADRAS, 7th Nov., 1950.

The Secretary to the Government of Madras,
Development Department,
Fort St. George,
Madras.

Dear Sir,

1 The Kanara Chamber of Commerce, Mangalore, has informed the Chamber that they have applied for amendment of articles of their Chamber through the Assistant Registrar of Joint Stock Companies, South Kanara, Mangalore. The amendments are to be carried urgently with a view to raise the membership fees to ensure the regular work of a very useful institution and I request that Government may be pleased to give permission to hold a General Body Meeting to carry out the amendments.

2 The question of admitting firms as members of Chambers of Commerce is already engaging the attention of not only this Chamber but other Chambers of Commerce also. The Federation of Indian Chambers of Commerce & Industry is also taking steps in this matter and it is understood that they are examining the legal position. That is a larger question affecting the work of all Chambers of Commerce not only in this Province but in the other Provinces also. Government of India have already appointed a Sub-Committee to suggest amendments to the existing Indian Companies Act and this subject, it is hoped, will receive the attention. From reports available in this Chamber it is understood that this question has not been raised in the other Provinces. Till that question is decided, amendments to the existing Articles of Association urgently reqired for purposes of ensuring the regular work of institutions, may not be kept in abeyance. I request that Government may be pleased to permit the amendments to be carried out in the Articles of Association of the Kanara Chamber of Commerce as early as possible.

Yours faithfully,

SECRETARY.

THE KANARA CHAMBER OF COMM

MANGALORE SOUTH IN

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P.

Date 1

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

ADDITIONAL SECRETARY TO GOVERNMENT
17 NOV 1950
DEVELOPMENT DEPARTMENT

COMPANIES which have obtained I
Section 26 of the Indian Compan
The Kanara Chamber of Commerce
in the Articles of Association
approval sought.

Ref: (1) Our letter to you dated
proposed amendments.
(2) Our further letter to yo
31.10.50.

pp 1-9 above

p 11 above

and 11 above

As pointed out to you already in our pr
the procedure to get the amendments passed b
Meeting of Members after the previous approv
being one that involves much time, it is ver
should receive your approval of the proposed
soon as possible. In view of our desire to
amendments as from 1-1-1951, and in view of
as stated in our previous letter, we request
us have your approval without further delay.

Yo
For THE

Copy to: The Secretary, Southern India Cham
Madras.

Submitted for perusal.
R.J.Sc. Called for in the Govt. on p.
been received. The Registrar is being
His final report may be awaited li

17-11-50. 17/11/50.

25

THE KANARA CHAMBER OF COMMERCE,

MANGALORE SOUTH INDIA.

115650
17-11-50

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 14th November 1950.

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

ADDITIONAL SECRETARY TO GOVERNMENT
17 NOV 1950
DEVELOPMENT DEPARTMENT

COMPANIES which have obtained licence under Section 26 of the Indian Companies Act,1913 The Kanara Chamber of Commerce- Alterations in the Articles of Association- Previous approval sought.

Ref: (1) Our letter to you dated 25.9.50 with proposed amendments.
(2) Our further letter to you dated 31.10.50.

pp. 1-9 above

p. 11 above

and 11 above

As pointed out to you already in our previous letters, the procedure to get the amendments passed by the General Body Meeting of Members after the previous approval by the Government being one that involves much time, it is very necessary that we should receive your approval of the proposed amendments, as soon as possible. In view of our desire to give effect to the amendments as from 1-1-1951, and in view of other requirements as stated in our previous letter, we request you to kindly let us have your approval without further delay.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,
Secretary.

Copy to: The Secretary, Southern India Chamber of Commerce, Madras.

Dev. Dept.

Submitted for perusal. The remarks of the R.J.D.C. called for in the Endt. on p.2 above have not yet been received. The Registrar is being reminded to-day(17-11) His final report may be awaited till 6-12-50.

17-11-50. 17/11/50.

Received 19
SPECIAL ASSISTANT SECRETARY TO GOVERNMENT
26 NOV 1950
DEVELOPMENT DEPARTMENT

Registered

Subject.

Companies - Associations not for profit - The Kanara Chamber of Commerce - Amendments to Articles of Association - approval - section 26 of the Indian Companies Act,1913.

120572/29-11-50

ENCLOSURES.
No. Three
Spare copies

No.C.3364/50,

Madras, dated the 28th November *1950.*

FROM (Name) Sri H.Krishnamurti,
REGISTRAR OF JOINT STOCK COMPANIES,

To
Deputy
THE/SECRETARY TO THE GOVERNMENT OF MADRAS,
Development DEPARTMENT.
Fort St.George,Madras.

Sir,

Ref: Memorandum No.98870-K/50-3, Development, dated 17-11-50.

---

1. The Kanara Chamber of Commerce is an Association not for profit registered under section 26 of the Indian Companies Act,1913, having its registered office in South Kanara District. For the purposes mentioned in its letter dated 25-9-50 addressed to Government it has proposed certain amendments to its Articles of Association.

2. The recognition of firms as its members appearing in its existing articles continues in the proposed amendments also. The Chamber was asked to delete it. It has not chosen to do so but written its letter dated 31-10-50 justifying its stand. (copy sent to Government direct). The question of removal of this membership had been in correspondence with it for a long time. On its representation, the Southern India Chamber of Commerce addressed Government in the matter. The decision of Government was conveyed in their letter No.986-K/50-3, Development dated 14-2-50. But now it has come forward with the objections set out in its letter dated 31-10-50. It considers that the decision of the Government is not final and points out that " the Federation of Indian Chambers of Commerce and Industry, New Delhi, has

p.t.o

27

COMPANIES - **DEPARTMENT.**

Received 20 NOV 1950 *19*

Registered _____ *19* .

Subject.

Companies - Associations not for profit - The Kanara Chamber of Commerce - Amendments to Articles of Association - approval - section 26 of the Indian Companies Act,1913.

120572/29-11-50

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No. Three
Spare copies ..

No. C.3364/50,

Madras, dated the 28th November *1950* .

FROM (Name) Sri H.Krishnamurti,

REGISTRAR OF JOINT STOCK COMPANIES,

To

Deputy
THE SECRETARY TO THE GOVERNMENT OF MADRAS,

Development DEPARTMENT.

Fort St.George,Madras.

Sir,

Ref: Memorandum No.98870-K/50-3, Development, dated 17-11-50.

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2. The recognition of firms as its members appearing in its existing articles continues in the proposed amendments also. The Chamber was asked to delete it. It has not chosen to do so but written its letter dated 31-10-50 justifying its stand. (copy sent to Government direct). The question of removal of this membership had been in correspondence with it for a long time. On its representation, the Southern India Chamber of Commerce addressed Government in the matter. The decision of Government was conveyed in their letter No.986-K/50-3, Development dated 14-2-50. But now it has come forward with the objections set out in its letter dated 31-10-50. It considers that the decision of the Government is not final and points out that " the Federation of Indian Chambers of Commerce and Industry, New Delhi, has

p.t.o

already taken up this matter". To bring about uniformity in procedure throughout the Union, the Chamber is trying to place the matter before the Expert Committee now constituted by the Government of India for amending the Indian Companies Act,1913. It has also complained that the opinion of the Ex-Government Solicitor is being enforced only in South Kanara District. In conclusion, it has requested that the question of amending its articles in this behalf may be considered after the result of its efforts is known and that the amendments now proposed may be approved. The Southern India Chamber of Commerce has also addressed Government on behalf of this Chamber. The contention that it is only a Solicitor's opinion that is sought to be enforced is not correct as the opinion is based on the decision of the Oudh Chief Court in Ganesh Das Ram Gopal V.R.G. Cotton Mills Company Limited, and another (Report of Company cases, 1945-Pages 32-36). A copy of the decision was submitted along with my letter C.No.139/50, dated 28-1-50 in reply to Endorsement No.986-K/50-1, Development dated 6-1-50. It is seen from the decision that the very nature of the composition of firms does not admit of their being members of Joint Stock Companies in their conventional names. The other contention that the decision is being enforced only in South Kanara district is also not correct. Under similar circumstances, the Calicut Chamber of Commerce and the Andhra Chamber of Commerce were asked to delete the provisions in their Articles of Association allowing membership for firms and the directions have been complied with (vide G.O.Ms.No.3786, Development, dated 22-9-50 and G.O.Ms.No.5691. Development, dated 29-11-49). Whenever an Association not for profit comes up for approval of any amendments to its Articles of Association similar direction is given to it. I however submit the following facts for consideration of Government in this connection. Recently the Madras Piece Goods Merchants' Association, another Association not for profit, raised similar objections and withdrew its application for approval of certain amendments it proposed to its Articles of Association saying that it would await the decision of Government of India in the matter (vide Memorandum No.84132-K/50-2, Development, dated 3-11-50). In view of this and the other representations made by the Kanara Chamber of Commerce and the Southern India Chamber of Commerce, Government of India may be addressed for their decision in the matter. Such a decision would set at rest these and similar objections that may be raised in future. Meanwhile, under the circumstances represented by the Chamber, the amendments proposed now by the Chamber (Kanara Chamber of Commerce) may be considered.

3. The amendments now proposed are otherwise in order subject to the remarks which follow. As Chamber members have been removed in Article 4, references to them in articles 18,39,42 and 46 have to be deleted. The Chamber has proposed additional amendments for all these articles except Article 18.(vide list of them enclosed). It may be asked to amend article 18 also suitably. All the amendments proposed are otherwise in order and may be approved. The Chamber may also be informed that they have to be adopted by means of a special resolution passed under section 81(2) of the Act.

For Registrar. 28/11/50.

28.11.50.

crp.28.11

70-K/50 29 122076 4-12-50

THE KANARA CHAMBER OF COMMERCE,

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 1st December 1950.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

ASSISTANT SECRETARY TO GOVERNMENT
4 DEC 1950
DEVELOPMENT DEPARTMENT

Sir,

COMPANIES- Section 26 of the Indian Companies Act,1913- The Kanara Chamber of Commerce- Alterations in the Articles of Association Previous approval sought.

Ref: (1) Our letter to you dated 25.9.50 with proposed amendments.
(2) Our further letter to you dated 31.10.50.
(3) Our reminder to you dated 14.11.50.

1 Besides our above communications to you, we would invite your attention to para 1 of our letter dated 31-10-50 addressed to the Assistant Registrar of Joint Stock Companies, Mangalore, a copy of which was sent to you along with our letter of the same date. The subject-matter of the said letter pertained to the objection raised in the matter of enlistment of firms as members of the Chamber.

2 Enclosed is a copy of the representation dated 20-11-50 to the Government of India, by the Federation of ~~the~~ Indian Chambers of Commerce & Industry, New Delhi, which is self-explanatory.

3 In view of the necessity to obtain an authoritative interpretation from the Government of India,on the issue raised which affects the working of Chambers of Commerce all over the country, the enclosed representation has been made. We request, therefore, that the amendment of Articles so as to delete the eligibility of firms may not be insisted upon till we hear from the Government of India in reply to the representation.

4 We hope you will be pleased to grant your approval to the proposed amendments of other Articles of Association of this Chamber forwarded to you along with our letter first cited above, without linking this question with that relating to the eligibility of firms, in view of the matter being placed before the Government of India.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,

Hon. Secretary.

Copy to:
1) The Registrar of Joint Stock Companies, Madras.
2) The Assistant Registrar of Joint Stock Companies, Mangalore.

30

Dev. Deptt

Submitted for perusal. The main file on the subject has been sent to the Legal Dept. with this Dept. Endst. No. 98870-H/50-4 dt. 2.12.50. This may be added to the main file on its return from the Legal Dept. Rd. Legal on 15.12.50 if necessary.

6.12.50 7/12/50. 7.12.50.

FEDERATION OF INDIAN CHAMBERS OF COMMERCE & INDUSTRY

28, Feroze shah Road,
New Delhi,
20th November, 1950.

Ref.No.F.6844/799.

To

The Secretary to the Government of India,
Ministry of Commerce, New Delhi

Sir,

Subject:- Eligibility of Firms for Membership of Associations Registered Under Section 20 of the Indian Companies Act.

I am directed by the Committee of the Federation of Indian Chambers of Commerce and Industry to invite your attention to an important question relating to the interpretation of Section 26 of the Indian Companies Act.

Under this Section an Association formed for promoting commerce, art, science etc., which applies or intends to apply its profits or income in promoting its objects and to prohibit the payment of any dividend to its members may be registered as a company with limited liability without the addition of the word " Limited " to its name. Many Chambers of Commerce and Trade Associations all over India are thus registered as companies under this provision of the Indian Companies Act. Most of these Associations have, as members, not only individuals but also firms. It appears that the Government of Madras have written to the Southern India Chamber of Commerce, Madras, saying that the Indian Companies Act does not contemplate the registration of a firm, which is neither a person nor a legal entity, as member of a company, and accordingly they have taken objection to the enlistment of firms as members of Chambers of Commerce or Associations. It seems that the Registrar of Joint Stock Companies, Madras has also drawn attention of that Chamber to this alleged irregularity and has advised it to revise its Articles of Association accordingly.

This communication is being addressed to the Government of India not only because it involves a question of interpretation and clarification of a section of a central piece of legislation but also

22

because it is an all-India question affecting the membership of firms in Chambers of Commerce and similar bodies registered under the Indian Companies Act.

The Federation has taken legal advice from experts on this matter and has been advised that it is competent for a Chamber or Association to accept firms as their members. The legal position in short is as follows:-

(i) Section 30 of the Indian Companies Act provides that the subscribers to the memorandum of a company shall be deemed to have agreed to become members of the company and on its registration shall be entered as members in its register of members and every other person who agrees to become a member and is entered in its register of members shall be a member of the company.

(ii) For the meaning of the word "person" in this Section we will haveto go to the definition of that word in the General Clauses Act,1897 under which " a person " includes any company or association or body of individuals whether incorporated or not.

Now a firm which is a body of persons unincorporated also falls within the definition of the word "person" and will therefore be capable of becoming a member of a company. Further even though a firm is not a legal entity and means the partners for the time being constituting the same, it has been held in the U.K.where the law in this respect is similar to that in India, in Weikersheim's case reported in (1873) 8 Ch.A.C.813 that a firm as such entered as a member in a company was a sufficient description of the individual partners constituting the firm.

There is a large number of firms which are members of Chambers of Commerce and Associations all over India and if they are denied such membership on account of a wrong interpretation of the Section or even because of a technical flaw in the Act, it will affect not only firms but also the membership and the working of Chambers of Commerce and Trading Associations all over the country. It cannot be the intention of the Government to deny firms the right to become members of such Associations and this question of the legality of admitting firms as members of such bodies has not been adverted to nor has any objection been raised hitherto by any other State Government.

CNo 123192-K/50 37
6+2-50.

No.24(6)-Law(CL)/50
Government of India,
Ministry of Commerce.

New Delhi, the 28th November 1950

From

A.T. Basu Esquire,
Deputy Secretary to the Government of India.

To

The Secretary to the Government of Madras,
Development Department,
Fort St. George, Madras.

Subject: Registration of a firm as member under the Indian Companies Act, 1913.

Sir,

I am directed to say that it has been reported to the Government that the Registrar of Joint Stock Companies, Madras has recently held the view in some cases that a firm cannot be registered as a member of a Chamber of Commerce or Trades Association, registered under section 26 of the Indian Companies Act, 1913. A copy of letter No.F.6844/799 dated the 20th November 1950 received from the Federation of Indian Chambers of Commerce and Industry in this connection is enclosed herewith for your information. The Government of India would be glad to be informed of the considerations on which the Registrar has based his opinion.

Yours faithfully,

A.T. Basu

(A.T.Basu)
Deputy Secretary to the Govt. of India.

(... : 31-25 ...'39 -

Copy of letter No.F.6844/799 dated 20th November 1950 from the Federation of Indian Chambers of Commerce & Industry to the Secretary to the Govt. of India, Ministry of Commerce, New Delhi.

Subject: Eligibility of Firms of Membership of Associations Registered under Section 26 of the IndianCompanies Act.

I am directed by the Committee of the Federation of Indian Chambers of Commerce and Industry to invite your attention to an important question relating to the interpretation of Section 26 of the Indian Companies Act.

2. Under this Section an Association formed for promoting commerce, art, science etc. which applies or intends to apply its profits or income in promoting its objects and to prohibit the payment of any dividend to its members may be registered as a company with limited liability without the addition of the word "Limited" to its name. Many Chambers of Commerce and Trade Associations all over India are thus registered as companies under this provision of the Indian Companies Act. Most of these Associations have, as members, not only individuals but also firms. It appears that the Government of Madras have written to the Southern India Chamber of Commerce, Madras, saying that the Indian Companies Act does not contemplate the registration of a firm, which is neither a person nor a legal entity, as member of a company, and accordingly they have taken objection to the enlistment of firms as members of Chambers of Commerce or Associations. It seems that the Registrar of Joint Stock Companies, Madras has also drawn attention of that Chamber to this alleged irregularity and has advised it to revise its Articles of Association accordingly.

3. This communication is being addressed to the Government of India not only because it involves a question of interpretation and clarification of a section of central piece of legislation but also because it is an all-India question affecting the membership of firms in Chambers of Commerce and similar bodies registered under the Indian Companies Act.

4. The Federation has taken legal advice from experts on this matter and has been advised that it is competent for a Chamber or Association to accept firms as their members. The legal position in short is as follows:-

(i) Section 30 of the Indian Companies Act provides that the subscribers to the memorandum of a company shall be deemed to have agreed to become members of the company and on its registration shall be entered as members in its register of members and every other person who agrees to become a member and is entered in its register of members shall be a member of the company.

(ii) For the meaning of the word "person" in this Section we will have to goto the definition of that word in the General Clauses Act, 1897, under which "a person" includes any company or association or body of individuals whether incorporated or not.

Now a firm which is a body of persons unincorporated also falls within the definition of the word "person" and will therefore be capable of becoming a member of a company. Further even though a firm is not a legal entity and means the partners for the time being constituting the same, it has been held in the U.K. where the law in this respect is similar to that in India, in Weikersheim's case reported in (1873) 8 Ch.A.C.813 that a firm as such entered as a member

in a company was a sufficient description of the individual partners constituting the firm.

5. There is a large number of firms which are members of Chambers of Commerce and Associations all over India and if they are denied such membership on account of a wrong interpretation of the Section or even because of a technical flaw in the Act, it will affect not only firms but also the membership and the working of Chambers of Commerce and Trading Associations all over the country. It cannot be the intention of Government to deny firms the right to become members of such Associations and this question of the legality of admitting firms as members of such bodies has not been adverted to nor has any objection been raised hitherto by any other State Government.

6. In the light of the above and the importance of the question, it is requested that an authoritative interpretation of this Section may be given by the Government of India, and directions may be issued to all State Governments and proper authorities for a uniform interpretation and administration of the Act in this regard. Should, however, it is found that this will not meet the situation fully, the Committee would urge upon Government to rectify the technical flaw in the Section by amending the provisions of the Act as early as possible.

Thanking you,

T

Development Department

Letter No. 98870 K/50-5 dated 21-12--1950

To The Secy to Govt. of India, Ministry of Commerce, New Delhi (with 5 copies)

Sir,

Subject: Acts and Rules - Indian Companies Act, 1913 - Registration of firms as members of Chambers of Commerce or Trade Associations

Ref: Your Ministry's letter No. 24(6) Law (CL)/50 dated 30-11--1950.

I am directed to state that the view that firms are not eligible to become members of the Chambers of Commerce registered under the Indian Companies Act, 1913, is based on the decision of the Oudh Chief Court in Ganesh Das Ram Gopal vs R.G.Cotton Mills Co., Ltd. and another and on the opinion of the ex-Government Solicitor, Madras. Copies of the judgment of the Oudh Chief Court and the letter from the ex-Government Solicitor No.774 dated 19--3--1946 are enclosed.

2. In this connection I am directed to state that the articles of association of the ~~South~~ Kanara Chamber of Commerce as existing at present recognise firms as members of the Chamber. That Chamber has now submitted certain amendments to its articles of association for approval of the Government and the provision relating to membership of firms continues to exist in the articles. In view of the decision of the Oudh Chief Court and the opinion of the ex-Government Solicitor mentioned in para.1 above, the R.J.S.C. has proposed that the Government of India may be addressed for their decision in the matter. A copy of this letter is enclosed. I am to request that the decision of the Government of India in the matter may be communicated to the Government of Madras very urgently as the ~~South~~ Kanara Chamber of Commerce, Mangalore has requested very early approval of the amendments to its articles of association.

Copy to

The R.J.S.C. with a copy of the Government of India's letter on page 37 c.f.

II

Development Department

Letter No. 98870 K/50-6 dated 21-12--1950.

To the Hony. Secy., The Kanara Chamber of Commerce, Mangalore S.Kanara Dt.

Sir,

Subject: Companies -.Associations not for profit - The Kanara Chamber of Commerce _ Articles of Association - Amendments.

Ref: Your letters dated 28-9-1950, 31-10-1950, 14-11-1950 and 1-12-1950.

I am directed to state that the Government of Madras decline to approve the amendments proposed by the Chamber to its articles of association pending a final ruling by the Government of India on the question of registration of firms as members of companies. The Government of India ~~xxx~~ have been addressed for a decision in the matter.

Y.F.

Copy to
The R.J.S.C. w.r.t his letter No.C.3364/50 dated 28-11-1950.

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THE KANARA CHAMBER OF COMMERCE,

128407 21-12-50

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 18th December 1950.

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

Sir,

Companies - Section 26 of the Indian Companies Act,1913- The Kanara Chamber of Commerce- Alterations in the Articles of Association- Previous approval sought.

98870-K/50 (Fwd. above file)

Ref:- (1) Our letter to you dated 25.9.50 with proposed amendments.
(2) Our letter to you dated 31--10--1950.
(3) -do.- 14--11--1950.
(4) -do.- 1--12--1950.

*****

1 It is very regrettable to find that our above subject is still pending with you despite the lapse of over 2 months. There is yet no indication as to how far the matter stands and when the approval sought for will be given.

2 The main object of our proposed amendments is to enhance the entrance fee and the annual subscription as from 1-1-1951 and to classify the membership into 'ordinary' and 'affiliated' with effect from the same date, for the better working of the Chamber. Most of the other amendments included are in consequence of that and these, of course, relate to membership of firms.

Regarding the eligibility of firms to become members of the Chamber, the matter, as stated by us in our previous letters, is before the Government of India, who, we believe, are examining the whole issue in consultation with the State Governments. A decision given in this behalf by the Central Government is naturally binding on us and we will have to amend the Articles relating to the eligibility of firms, if necessary on knowing their decision. Therefore we wish to point out that the question of eligibility of firms or otherwise should not now stand in the way in according your approval to the amendments proposed by us.

3 If, however, there is still any technical objection to approve some of the amendments proposed which relate to firms, such amendments may be held up for further examination if so required, but we do not think that it is fair to delay approval of other amendments proposed, especially in view of the fact, as stated already, that these amendments are urgently necessary.

4 We, therefore, request that the amendments relating to the classification of members, enhancement of entrance fee and subscription and other amendments having no specific relation to 'firms' may kindly be approved and such approval communicated to us without further delay. This will enable us to maintain the status-quo with regard to membership of firms, just as several other Chambers of Commerce are, in this State, pending the final decision of the Central Government.

P.T.O.

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-2-

We shall be grateful if you will kindly expedite your reply in this matter.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,

Hon. Secretary.
18/12

Dev. Dept.

The representation from the Kanara Chamber of Commerce above may be perused. Orders declining to approve the amendments proposed by the Chamber to its articles of association pending a final ruling by the Govt. of India on the question of registration of firms as members of companies are under issue. The Govt. of India also have been addressed in Draft-Ltd in the matter. In the circumstances, the orders of the Govt. of India in the matter may be awaited.- (The point whether such of the amendments as have no direct bearing on the articles which are considered objectionable cannot be approved was also examined in the main file).

2. This may be added to the main file and the reply from the Govt. of India awaited till 20.1.51.

28/12/50

26/1/1950

THE KANARA CHAMBER OF COMMERCE, 49

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 10th January 1951.

To

The Deputy Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

12 JAN 1951

5123
12-1-51.

Sir,

Companies- Section 26 of the Indian Companies Act,1913-The Kanara Chamber of Commerce- Alterations in the Articles of Association Previous approval sought.

Ref: (1) Our letter to you dated 25.9.50 with proposed amendments.
(2) Our letter dated 31--10--1950.
(3) -do.- 14--11--1950.
(4) -do.- 1--12--1950.
(5) -do.- 18--12--1950.
(6) Your letter No.98870-K/50-6 dated 21-12-1950.

1.- We refer to your communication dated 21-12-1950 which implies that a final ruling by the Government of India on the question of registration of firms as members of companies is awaited. That was what exactly we have been pressing for and we are glad that the State Government has kindly acceded to our request to allow this major issue to be decided by the Government of India with a view to have uniform enforcement of the Act throughout India. We shall assure you once again that the decision given by the Government of India in this behalf will be binding on us as also all other Chambers of Commerce throughout the country.

2.- The issue raised above relates to the eligibility of firms to become members of companies. We can understand the inability of the State Government to approve such of the amendments proposed by us which have a bearing on the above issue i.e., which relate to membership of firms as such. But there are other amendments proposed by us which are our main amendments and which have no bearing whatsoever to the controversial issue of 'firms'. In so

far as these other amendments are concerned, the final ruling of the Government of India sought for, as mentioned above, has no connection whatsoever. Therefore to with-hold approval of such amendments pending a final ruling by the Government of India on a different subject, is in our opinion, not at all justified.

3. Attention is invited in this connection to our previous letter dated 18-12-1950 which does not seem to have been considered yet. We request once again, that such of the amendments proposed by us which have no specific relation to the question of 'firms' may kindly be approved without further delay.

4. Herein we would like the State Government to consider while dealing with our representations, that this Chamber is one of the most prominent Chambers of Commerce in this State and the Hon'ble Chief Minister of Madras has acknowledged this fact as is evident from his address(copy of the extract enclosed) during his visit to the Chamber on 27-10-1949. In view of the heavy expenses involved in running this institution unlike any other Chamber in this State outside Madras City, it has been found absolutely necessary to enhance the rate of entrance fee and subscription and such an enhancement was intended to be brought into force with effect from 1-1-1951 for the proper and more efficient working of the Chamber. We regret that the Government has not realised the seriousness with which the amendments were submitted for approval and the justification in our demand to accord approval of same, with the result we are very much handicapped and put to great hardship.

We hope that the Government will re-consider the subject and accord approval of all other amendments proposed by us which have no specific relation to the question of 'firms' as explained already in our letter dated 18-12-50.

Awaiting your reply,

For THE KANARA CHAMBER OF COMMERCE,
Yours faithfully,
P R Shenoy
Hon. Secretary.

Extract from the Speech delivered by the Hon'ble Sri P.S. Kumaraswamy Raja, Chief Minister of Madras, on the occasion of his visit to the Kanara Chamber of Commerce, Mangalore on 27-10-1949.

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x x x

" Your organisation stands unique in its being the only Chamber of Commerce for the entire district representing the various commercial interests. So, I deem your cordial welcome to me as one extended by the commercial public of this district.

I am glad to find that this Chamber though in its infant stage, started as it was in 1940 has achieved a record of work in matters relating to trade and commerce in this district, which you can feel proud of. The good achievement that has been obtained by your Chamber within such a short period of its existence augurs well for its future. Its future, I am sure will be more promising and brilliant. I am glad to know that this Chamber of Commerce has already established its connection with the Southern India Chamber of Commerce, Madras by getting itself affiliated to that body and that it has also found a place in the list of recognised Chambers of Commerce by the Government of India. It is also gratifying to note that its membership strength is so much that it can easily claim to be one of the foremost among the Chambers of Commerce in the mofussil in our Province. This Chamber is to be congratulated, particularly on the broadness of its out-look and utility and usefulness to industrialists and commercialists. This is not running on any narrow sectarian lines, confining admission to it, to any particular class of section of business-men. It is a federation of commercial interests, national in structure, nay, even international. Because, the noteworthy feature of it is that all European firms established in this district are members of this Chamber. Commerce has no distinction to make on grounds of colour or nationality and you all belong to one fraternity bound by common commercial ties. Your Chamber exemplifies this idea of unity among the persons, pursuing the profession of trade."

(True copy)

For THE KANARA CHAMBER OF COMMERCE.

P R Shenoy

Hon. Secretary.

D/10-1-1951.

10/1

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THE KANARA CHAMBER OF COMMERCE,

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 5th February 1951.

14752
7-2-51

To

The Deputy Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

SECTION ASSISTANT SECRETARY TO GOVERNMENT
7 FEB 1951
DEVELOPMENT DEPARTMENT

Sir,

Companies - Section 26 of the Indian Companies Act,1913- The Kanara Chamber of Commerce- Alterations in the Articles of Association- Previous approval sought.

Ref: (1) Our letter to you dated 25-9-50 with proposed amendments.
(2) Our letter dated 31-10-1950.
(3) " 14-11-1950.
(4) " 1-12-1950.
(5) " 18-12-1950.
(6) Your letter No.98870-F/50-6 dated 21-12-1950.
(7) Our further representation dated 10-1-1951.

***

1. Since writing to you on 10th January 1951 following your reply dated 21-12-1950, we have been earnestly awaiting to receive your permission. We believe, our representation dated 10-1-1951 would be sufficient to enable the Government to grant us the permission to amend such of the Articles which do not relate to the membership of firms.

2. In order that we can proceed with the amendments of such Articles, the need for which is so very pressing now, we request you to kindly accord your approval very soon. Considerable delay has already been caused resulting in very much handicap in the working of the Chamber. We would request you once again to treat this matter as very urgent and pass orders as expeditiously as possible.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE.

P R Shenoy
Hon. Secretary.
5/2

Please issue 1/15/V

Dev Dept

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Letter No: 98870-K/50-G dated 14-2-51

14/2/51

15/2/51

To.

The Hony. Secretary,
The Kanara Chamber of Commerce,
Mangalore, (South Kanara Dt.)

Sir,

Sub:- Companies — Associations not for profit — The Kanara Chamber of Commerce — Articles of association - Amendments.

Ref:- your letters dated 10-1-51 and 5-2-51

I am directed to state that the Govt. are prepared to ~~approve~~ consider such of the amendments to the articles of association of the Kanara Chamber of Commerce as have no bearing on the question of registration of firms as

P.T.O.

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members of companies and to request that revised proposals in this regard may be submitted through the R.T.S.C., Madras.

Y.F.

13.2.51.

19/4/51

Copy to the R.T.S.C. with copy of pp 49-55C

R.D. 9.3.51

59

THE KANARA CHAMBER OF COMMERCE,

TELEGRAMS:
TELEPHONE

MANGALORE SOUTH INDIA.

P. O. Box No. 116,

Date 7th March 1951.

REGD.A.D.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

Thro'

27009
9-3-51.

The Registrar of Joint Stock Companies,
MADRAS.

Sir,

Companies- Section 26 of the Indian Companies Act,1913- The Kanara Chamber of Commerce- Alterations in the Articles of Association- Previous approval sought.

Ref: Our letter to you dated 25-9-1950 and subsequent correspondence ending with your letter No.98870 K/50-10 dated 14th February 1951.

In accordance with your letter dated the 14th February 1951, we are submitting in the Annexure, our revised proposals for the amendments of the Articles of Association of this Chamber, for your kind consideration and necessary approval.

These proposals have no bearing on the question of registration of firms as members of the Chamber.

While the main object of the proposals is to enhance the rates of entrance fee and subscriptions payable to the Chamber, amendments of certain other Articles have also become necessary as a result of this and the classification of members.

Amendments proposed for Articles 33, 39, 42,46 and 66 are in accordance with the instructions issued by the local Assistant Registrar of Joint Stock Companies, fromtime to time.

We request that these proposals may kindly be accepted and necessary orders may be passed according your approval in as short a time as possible.

Receipt of this may also be acknowledged.

Yours faithfully,
For THE KANARA CH. [illegible]

Hon. Secretary.

Advance copy to: The Secretary to the Govt. of Madras, Development Deapartment, Madras.

173

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Dev. Deptt.

(p. 59 d ante)

The original of the letter from the Kanara Chamber of Commerce on p. 59 ante, with the remarks of the R. T. S. C. thereon, may be awaited till 28-3-51.

9-3-51.

10.3.51

THE KANARA CHAMBER OF COMMERCE MANGALORE

Annexure

Proposed Amendments to the Articles of Association of the Chamber.

I. For clause (b) of Article 1 of the existing Articles of Association, the following clause is proposed to be substituted.-

"(b)'MEMBER' means a member of the Chamber, 'Ordinary' or 'Affiliated' or the representative thereof, for the time being, if any."

II. After clause (b) of Article No.1 as amended, the following clauses are proposed to be added.-

"(c)'ORDINARY MEMBER' means a member carrying on business or residing or having a place of business or a branch office within the limits of the district of South Kanara and entered as such in the Register of Members."

"(d)'AFFILIATED MEMBER' means a Trade Association admitted as an affiliated member and entered as such in the Register of Members."

"(e)'HONORARY MEMBER' means a member whose rights and obligations are limited to those detailed in Article 11."

III. Existing clauses(c)(d)(e)(f)(g)(h) and (i) of Article 1 are proposed to be re-marked as (f)(g)(h)(i)(j)(k) and (l) respectively.

IV. For the existing clause (j) of Article 1, the following clause is proposed to be substituted as clause(m).-

"(m)'YEAR' means Calendar Year."

V. For Article 4, the following Article is proposed to be substituted.-

"4. There shall be two classes of Members, namely, Ordinary Members and Affiliated Members."

VI. For Article 9, the following Article is proposed to be substituted.-

"9(1). On and after the 1st July 1951, the entrance fee of each Ordinary Member shall be Rs. 10/- payable with the application for admission. Provided that the said entrance fee may be increased from time to time to an amount not exceeding Rs.25/- if so determined by a resolution of the Chamber in general meeting.

(2). On and after the 1st July 1951, the entrance fee of each Affiliated Member shall be Rs.25/- payable with the application for admission. Provided that the said entrance fee may be increased from time to time to an amount not exceeding Rs.35/- if so determined by a resolution of the Chamber in general meeting."

VII. For Article 10, the following Article is proposed to be substituted.-

"10(1). On and after the 1st July 1951, the annual subscription of each Ordinary Member shall be Rs.24/- due to be paid on the first working day in January each year. Provided that the said subscription may be increased from time to time to an amount not exceeding Rs.36/- per annum, if so determined by a resolution of the Chamber in general meeting.

(2). On and after the 1st July 1951, the annual subscription of each Affiliated Member shall be Rs.50/- due to be paid on the first working day in January each year. Provided that the said subscription may be increased from time to time to an amount not exceeding Rs. 100/- per annum, if so determined by a resolution of the Chamber in general meeting.

(3). Members admitted on or after the 1st July in any year shall pay half the amount of annual subscription for the remainder of that year."

VIII. For Article 15 the following Article is proposed to be substituted.-

"15. A member must give written notice to the Secretary, one calendar month before the expiration of his subscription year or half-year as the case may be, of his wish to retire, failing which he will be liable for the subscription for the ensuing year. Upon the expiration of the notice, such member shall cease to be a member."

IX. For the word 'three' in Article 33, the word 'five' is proposed to be substituted.(To conform to the compulsory regulation 56 of Table A of the Indian Companies Act 1913).

The Article as proposed to be amended reads as follows:-

"33. At every general meeting all questions shall be determined immediately by a show of hands; unless a poll is demanded by atleast five members, a declaration by the Chairman that a resolution special or otherwise has been carried with the requisite majority and an entry to that effect in the book of Proceedings of the Chamber shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution."

X. For Article 39, the following Article is proposed to be substituted.-

"39. Every member shall have one vote."

XI. For Article 42, the following Article is proposed to be substituted.-

"42.The Committee of the Chamber shall consist of the President, the Vice-President, a Treasurer and a Secretary or two Joint Secretaries and also not exceeding 12 members elected from among the members."

XII. In Article 46, the word 'Chamber' wherever it occurs is proposed to be deleted.

XIII. After clause (12) of Article 52, the following clause is

proposed to be added as clause (13).-

"(13) To provide, undertake surveys of all commodities, merchandise and goods of import and export, as may be referred to the Chamber and to issue certificates of origin, certificates of quality, condition, weight or measurement in respect of such goods and to lay down rules and regulations governing such surveys and the issue of such certificates and to levy, collect and pay such charges and expenses as are necessary in that connection."

XIV. For Article No.66 the following Article is proposed to be substituted.(To conform to Section 131A of the Indian Companies Act).-

"66. Every such Balance Sheet shall be accompanied by a report of the Committee as to the financial state and condition of the Chamber and shall be signed by all members of the Committee or by the President of the Chamber, if so authorised by the Committee in its behalf."

(By Order)

Mangalore.
D/7-3-1951.

For THE KANARA C[illegible]

Hon. Secretary

7/3

98870/K/50-67

No.24(6)-ICI/50
Government of India.
Ministry of Finance.
(Department of Economic Affairs)

New Delhi, March, 1951.

FIFTH ASSISTANT SECRETARY TO
13 MAR 1951

28561
13.3.51.

From

B.K.Kaul, Esquire,
Deputy Secretary to the Government of India.

To

The Secretary to the Government of Madras,
Development Department, Fort St. George,
Madras.

Subject:- Eligibility of firms for membership of Associations registered under section 26 of the Indian Companies Act.

.....

Sir,

With reference to your letter No.98870-K/50-5, dated the 21st December, 1950, I am directed to say that since the question whether firms can be admitted as members of associations registered under section 26 of the Indian Companies Act, is not entirely free from doubt under the existing law, the matter has been referred for consideration to the Company Law Expert Committee which has been set up to examine the question of revision of the Indian Companies Act. The final decision of the Government of India will be intimated to you on receipt of the Committee's recommendation in this regard.

Yours faithfully,

(B. K. Kaul)
Deputy Secretary to the Government of India

Dev Deptt

Submitted for perusal. The revised proposals called for from the Karwar Chamber of Commerce for alteration of its articles of association maybe awaited till 28.3.51 as already ordered on p. 60 ante.
Gulati 15/3/51

15/3/51

15.3.51

THE KANARA CHAMBER OF COMMERCE,

69

4 APL 1951

MANGALORE SOUTH INDIA.

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 2nd April, 1951.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

38125
4-4-51

Thro'

The Registrar of Joint Stock Companies,
MADRAS.

Sir,

Sub: Amendments to the Articles of Association of this Chamber.

Ref: (1)Our letter to you dated 7-3-1951.
(2)From the Regr.of Joint Stock Companies,Madras,Letter No. C.841/51 dated 27-3-1951.

***

In accordance with the instructions contained in the Registrar's letter cited, we are sending herewith a revised draft of some of the Articles and we request that the same may be read along with the proposed amendments sent along with our letter dated 7-3-1951.-

(1) The existing item I in the Annexure may be substituted by the following:-

I. For clause (b) of Article 1 of the existing Articles of Association, the following clause is proposed to be substituted.-

"(b) 'MEMBER' means a member of the Chamber 'Ordinary' or 'Affiliated' or the representative thereof, for the time being, if any, or "Honorary'."

(2) The existing item V in the Annexure may be substituted by the following:-

V. For Article 4, the following Article is proposed to be substituted.-

"4. There shall be three classes of Members, namely, Ordinary Members, Affiliated Members and Honorary Members."

(3) After item VIII in the Annexure, the following may be added as item VIII(a).-

VIII(a)."In Article 18, the words 'Chamber and Honorary' are proposed to be deleted."

We trust, you will find the above in order. We request that necessary approval of all the proposed amendments may kindly be granted without further delay.

Yours faithfully,

Advance Copy.

70

Dev. Dept.

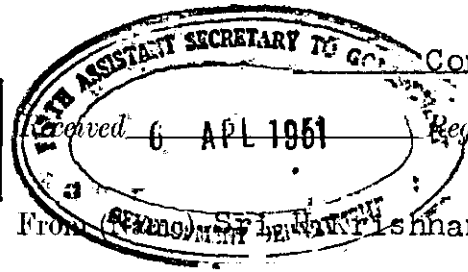
The copy of the letter from the Kanara Chamber of Commerce on p. 69 ante, sent through the R.J.Sc. may be perused. The original of the letter, with the remarks of the R.J.Sc. thereon, may be awaited till 18.4.51.

G 5477

4-4-51.

5.4.51.

71



quote and

Companies DEPARTMENT.

Received 6 APL 1951 *Registered*

From (Name) Sri. N. Krishnamurti,

(Designation) Registrar of Joint Stock Companies

Post Box 59, Madras.

Telegraphic Address

38961
6-4-51.

To

The Deputy Secretary to Government,
Development Department,
Fort St.George, Madras.
No. C.841/51, *dated* ~~5-4-1951.~~ xx

Sir,

* Sub: Companies - Associations not for Profit - The Kanara Chamber of Commerce - Articles of Association - Amendments.

Ref: Government Memorandum No.98870-K/50-13, Development, dated 28-3-1951.

Enclosures Two

Spare Copies

The Kanara Chamber of Commerce is an Association not for Profit registered under section 26 of the Indian Companies Act,1913, having its registered office in Mangalore. With reference to letter No.98870-K/50-10, Development, dated 14-2-1951, it has proposed to amend its Articles of Association in the manner set out in its applications submitted herewith. For the amendments proposed for Articles 1(b) and 4 in its letter dated 7-3-1951 it has adopted fresh amendments set out in its letter dated 2-4-1951 and in the latter application an amendment has been proposed for Article 18 also in accordance with the instructions given by me. The amendments proposed in

p.t.o

the two letters dated 7-3-1951 and 2-4-1951 of the Chamber may be approved in view of Government's letter cited above. The Chamber may, however, be informed that (is) should delete references to firms in its Articles of Association if the Government of India decide that firms are not eligible to be members of companies registered under the Indian Companies Act,1913. It may also be informed that the amendments now proposed have to be adopted by passing a special resolution under section 81(2) of the Act.

5/4/51

For Registrar of Joint Stock Companies.

6/5.4.51

cmp.5.4.

THE KANARA CHAMBER OF COMMERCE,

REGISTRAR OF JOINT STOCK COMPANIES - MAR 1951

MANGALORE SOUTH INDIA.

THE KANARA CHAMBER OF COMMERCE 1940

TELEGRAMS: "CHAMBER"
TELEPHONE: 128

P. O. Box No. 116,

Date 7th March ..... *1951.*

Regd. 10.3.51

9.3.51 REGD.A.D.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

Thro'

The Registrar of Joint Stock Companies,
MADRAS.

Sir,

Companies- Section 26 of the Indian Companies Act,1913- The Kanara Chamber of Commerce- Alterations in the Articles of Association- Previous approval sought.

Ref: Our letter to you dated 25-9-1950 and subsequent correspondence ending with your letter No.98870 K/50-10 dated 14th February 1951.

In accordance with your letter dated the 14th February 1951, we are submitting in the Annexure, our revised proposals for the amendments of the Articles of Association of this Chamber, for your kind consideration and necessary approval.

These proposals have no bearing on the question of registration of firms as members of the Chamber.

While the main object of the proposals is to enhance the rates of entrance fee and subscriptions payable to the Chamber, amendments of certain other Articles have also become necessary as a result of this and the classification of members.

Amendments proposed for Articles 33, 39, 42,46 and 66 are in accordance with the instructions issued by the local Assistant Registrar of Joint Stock Companies, from time to time.

We request that these proposals may kindly be accepted and necessary orders may be passed according your approval in as short a time as possible.

Receipt of this may also be acknowledged.

Yours faithfully,
For THE KANARA CHAMBER OF COMMERCE,

Secretary.

Advance copy to: The Secretary to the Govt. of Madras, Development Deapartment, Madras.

THE KANARA CHAMBER OF COMMERCE MANGALORE

Annexure

Proposed Amendments to the Articles of Association of the Chamber.

I. For clause (b) of Article 1 of the existing Articles of Association, the following clause is proposed to be substituted.-

"(b)'MEMBER' means a member of the Chamber, 'Ordinary' or 'Affiliated' or the representative thereof, for the time being, if any."

II. After clause (b) of Article No.1 as amended, the following clauses are proposed to be added.-

"(c)'ORDINARY MEMBER' means a member carrying on business or residing or having a place of business or a branch office within the limits of the district of South Kanara and entered as such in the Register of Members."

"(d)'AFFILIATED MEMBER' means a Trade Association admitted as an affiliated member and entered as such in the Register of Members."

"(e)'HONORARY MEMBER' means a member whose rights and obligations are limited to those detailed in Article 11."

III. Existing clauses(c)(d)(e)(f)(g)(h) and (i) of Article 1 are proposed to be re-marked as (f)(g)(h)(i)(j)(k) and (l) respectively.

IV. For the existing clause (j) of Article 1, the following clause is proposed to be substituted as clause(m).-

"(m)'YEAR' means Calendar Year."

V. For Article 4, the following Article is proposed to be substituted.-

"4. There shall be two classes of Members, namely, Ordinary Members and Affiliated Members."

VI. For Article 9, the following Article is proposed to be substituted.-

"9(1). On and after the 1st July 1951, the entrance fee of each Ordinary Member shall be Rs. 10/- payable with the application for admission. Provided that the said entrance fee may be increased from time to time to an amount not exceeding Rs.25/- if so determined by a resolution of the Chamber in general meeting.

(2). On and after the 1st July 1951, the entrance fee of each Affiliated Member shall be Rs.25/- payable with the application for admission. Provided that the said entrance fee may be increased from time to time to an amount not exceeding Rs.35/- if so determined by a resolution of the Chamber in general meeting."

VII. For Article 10, the following Article is proposed to be substituted.-

"10(1). On and after the 1st July 1951, the annual subscription of each Ordinary Member shall be Rs.24/- due to be paid on the first working day in January each year. Provided that the said subscription may be increased from time to time to an amount not exceeding Rs.36/- per annum, if so determined by a resolution of the Chamber in general meeting.

(2). On and after the 1st July 1951, the annual subscription of each Affiliated Member shall be Rs.50/- due to be paid on the first working day in January each year. Provided that the said subscription may be increased from time to time to an amount not exceeding Rs. 100/- per annum, if so determined by a resolution of the Chamber in general meeting.

(3). Members admitted on or after the 1st July in any year shall pay half the amount of annual subscription for the remainder of that year."

VIII. For Article 15 the following Article is proposed to be substituted.-

"15. A member must give written notice to the Secretary, one calendar month before the expiration of his subscription year or half-year as the case may be, of his wish to retire, failing which he will be liable for the subscription for the ensuing year. Upon the expiration of the notice, such member shall cease to be a member."

IX. For the word 'three' in Article 33, the word 'five' is proposed to be substituted.(To conform to the compulsory regulation 56 of Table A of the Indian Companies Act 1913).

The Article as proposed to be amended reads as follows:-

"33. At every general meeting all questions shall be determined immediately by a show of hands; unless a poll is demanded by atleast five members, a declaration by the Chairman that a resolution special or otherwise has been carried with the requisite majority and an entry to that effect in the book of Proceedings of the Chamber shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution."

X. For Article 39, the following Article is proposed to be substituted.-

"39. Every member shall have one vote."

XI. For Article 42, the following Article is proposed to be substituted.-

"42.The Committee of the Chamber shall consist of the President, the Vice-President, a Treasurer and a Secretary or two Joint Secretaries and also not exceeding 12 members elected from among the members."

XII. In Article 46, the word 'Chamber' wherever it occurs is proposed to be deleted.

XIII. After clause (12) of Article 52, the following clause is

(Supplication)

79

proposed to be added as clause (13).-

"(13) To provide, undertake surveys of all commodities, merchandise and goods of import and export, as may be referred to the Chamber and to issue certificates of origin, certificates of quality, condition, weight or measurement in respect of such goods and to lay down rules and regulations governing such surveys and the issue of such certificates and to levy, collect and pay such charges and expenses as are necessary in that connection."

XIV. For Article No.66 the following Article is proposed to be substituted.(To conform to Section 131A of the Indian Companies Act).-

"66. Every such Balance Sheet shall be accompanied by a report of the Committee as to the financial state and condition of the Chamber and shall be signed by all members of the Committee or by the President of the Chamber, if so authorised by the Committee in its behalf."

(By Order)

For THE KANARA C... ...F,

Hon. Secretary.

Mangalore.
D/7-3-1951.

7/3

THE KANARA CHAMBER OF COMMERCE,

MANGALORE SOUTH INDIA.

TELEGRAMS: INFOCHAMBER MADRAS
TELEPHONE: 128

P. O. Box No. 116,

Date 2nd April, 1951.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George,
MADRAS.

Thro'

The Registrar of Joint Stock Companies,
MADRAS.

By Regd Post

Sir,

Sub: Amendments to the Articles of Association of this Chamber.

Ref: (1)Our letter to you dated 7-3-1951.
(2)From the Regr.of Joint Stock Companies,Madras,Letter No. C.841/51 dated 27-3-1951.

***

In accordance with the instructions contained in the Registrar's letter cited, we are sending herewith a revised draft of some of the Articles and we request that the same may be read along with the proposed amendments sent along with our letter dated 7-3-1951.

(1) The existing item I in the Annexure may be substituted by the following:-

I. For clause (b) of Article 1 of the existing Articles of Association, the following clause is proposed to be substituted.-

"(b) 'MEMBER' means a member of the Chamber 'Ordinary' or 'Affiliated' or the representative thereof, for the time being, if any, or "Honorary'."

(2) The existing item V in the Annexure may be substituted by the following:-

V. For Article 4, the following Article is proposed to be substituted.-

"4. There shall be three classes of Members, namely, Ordinary Members, Affiliated Members and Honorary Members."

(3) After item VIII in the Annexure, the following may be added as item VIII(a).-

VIII(a)."In Article 18, the words 'Chamber and Honorary' are proposed to be deleted."

We trust, you will find the above in order. We request that necessary approval of all the proposed amendments may kindly be granted without further delay.

For THE KANARA CHAMBER OF COMMERCE.

Yours faithfully,

Hon. Secretary.

83

DEVELOPMENT DEPT. (K)

COMPANIES - Associations not for profit - The Kanara Chamber of Commerce - Articles of Association - Amendments - Approved.

Read:- From the Kanara Chamber of Commerce, letter d/7.3.51.
From the Govt. of India, Ministry of Finance, (Dept. of Economic Affairs) letter No. 24(6)-ICL/50 d/ 12.3.51.
From the Kanara Chamber of Commerce, letter d/ 2.4.51.
From the R.J.S.C., Letter No. C. 841/51 d/ 5.4.51.

ORDER MS. NO. 1858 DATED. 23-4-51

With reference to regulation VIII of the Regulations framed under section 26(2) of the Indian Companies Act, 1913, (Central Act VII of 1913), the Government approve the amendments proposed by the Kanara Chamber of Commerce to its Articles of Association in its letters cited. The amendments should be affected by passing a special resolution with reference to section 81(2) of the Indian Companies Act, 1913.

2. The Kanara Chamber of Commerce is informed that it should delete references to firms in its Articles of Association if the Govt. of India decide that firms are not eligible to become members of associations registered under section 26 of the Indian Companies Act, 1913.

To The Hony. Secretary,
The Kanara Chamber of Commerce, Mangalore.
(South Kanara).
To The R.J.S.C. (with copy of the Govt. of India's letter on p.67 c.f.).
S.C.

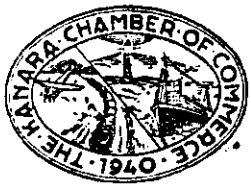
9-4-51
9.4.51.

C.B.E. 1-7-51 - para 2.
Entered as item No. 461 in the C.B.
30.4.51.

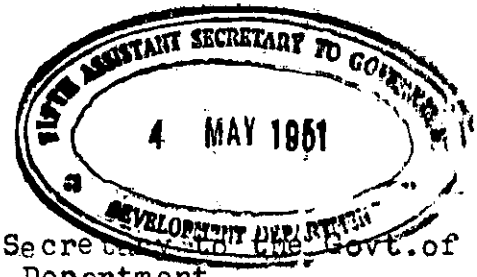
85

THE KANARA CHAMBER OF COMMERCE

MANGALORE—SOUTH INDIA



Telegrams: "CHAMBER"
Telephone: 128



P. O. Box No. 116,

Date 2nd May, *19* 51.

C.No. 49602-H/51
H-5-51

The Deputy Secretary to the Govt.of Madras,
Development Department,
Fort St.George, MADRAS.

Sir,

Sub: COMPANIES- Associations not for profit-
The Kanara Chamber of Commerce- Articles
of Association- Amendments-Approval.
Ref: G.O.Ms.No.1358, Dev. dated 23--4--1951.

***

We are in receipt of your communication containing a copy of the above G.O., approving the amendments proposed by us to the Articles of Association of the Chamber.

We thank you for the same.

Yours faithfully,

for

Dev. Dept(K)

May be lodged and added to the G.O. at (R).

1755

DR
6-5-51.

RNP
7.5.51

Issue - BR 5-7-51

Received on 7/7/51 7-8/7/7

Dev. Dept.

Letter No. 72479-K/51-1 dt. 5-7-51

To

The Secretary to the Govt. of India,
Ministry of Finance,
(Dept. of Economic Affairs),
New Delhi.

Sir,

Subj:- Acts and Rules - Indian Companies Act, 1913 — Eligibility of firms for membership of Chambers of Commerce, Trade Associations etc. registered under Indian Companies Act, 1913.

Ref:- Sri Kaul's letter No: 24(6)-ICL/50 dt. 12.3.51.

I am directed to invite a reference to the correspondence resting with the letter cited and to

~~25~~/88/

enquire when the final decision of the Govt. of India in the matter may be expected.

4.7.51 4.7.51

G 5/7/57

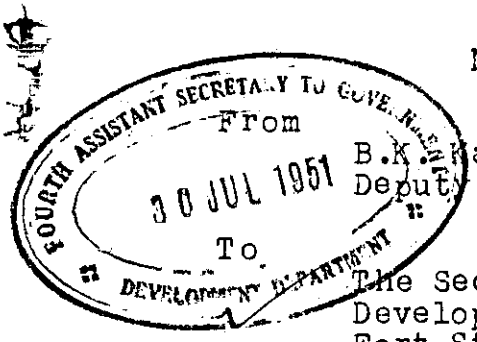
Y.F

R.D. 31-7-57.

89 88

No. 24(6)-ICL/50.
Government of India.
Ministry of Finance.

New Delhi, the 28 July, 1951.



From

B.K. Kaul, Esquire,
Deputy Secretary to the Government of India.

83269 30.7.51

To

The Secretary to the Government of Madras,
Development Department,
Fort St. George,
MADRAS.

Subject:- Eligibility of firms for membership of Associations registered under Section 26 of the Indian Companies Act.

--

Sir,

With reference to your letter No. 72479 K/51-1, dated the 5th July 1951, I am directed to say that the Company Law Expert Committee is expected to submit its report to Government sometime towards the end of October 1951. After the report is received from the Committee, the decision of the Government of India on the recommendations of the Committee in the matter will be communicated to you.

Yours faithfully,

for (B.K. KAUL)
Deputy Secretary to the Government of India.

"RK"

27/7

Issue
DK
31/12/57

Deptt. Deptt 91

Letter No. 13(10)90-K/57-1 dated 3-12-57.

To

The Secretary to the Govt. of India,
Ministry of Finance,
New Delhi

Sir,

Sub:- Acts and Rules - Indian Companies Act, 1913 — Eligibility of firms for membership of Associations registered under Section 26 of Indian Companies Act, 1913.

Ref:- Correspondence resting with Sri Kaul's letter No. 24(6)-IC4/50 dated 28.7.57.

I am directed to enquire whether the Company Law Expert Committee has since submitted its report and, if so, when the decision of the Govt. of India on the recommendations

p. 89 ante (R)

Compd
4/1/58

92

If the Committee in the matter may be expected

Y.F.

1.12.57 3.12.51

R.D 3-1-52

93

No.24(6)-CL/50.
Government of India
Ministry of Finance.

New Delhi, the 24 January, 1952.

8331
25.1.52

From

B.K. KAUL, ESQUIRE,
DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA.

To

The Secretary to the Government of Madras,
Development Department, Fort St. George, MADRAS.

Subject:- Eligibility of firms for membership of associations registered under section 26 of the Indian Companies Act.

.-.-.-.-.-.-.-.-.-.

Sir,

P 10 K in advance file below

With reference to your letter No.131090-K/51-2, dated the 3rd January, 1952, I am directed to say that the Company Law Expert Committee is expected to submit its report to the Government of India some time in February, 1952. The decision of the Government on the recommendations of the Committee in the matter will be communicated to you in due course.

Yours faithfully,

B.K. KAUL
DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA.

14/2/1

Dev. (K) Deptt 95

Letter No: 109607-K/52-1 dated 3-11-52.

To

The Secretary to the Govt. of India,
Ministry of Finance,
New Delhi.

Sir,

Subj:- Acts — Indian Companies Act, 1913 — Eligibility of firms for membership of Associations registered under section 26.

Ref:- Sri Kaul's letter No: 24(b)-C2/50 dt. 24.1.52.

I am directed to invite a reference to the correspondence resting with the letter cited and to enquire when the final decision of the Govt. of India on the recommendations of the Company Law Committee in the matter may be expected.

Yours faithfully,

Above
3 11 52

P 93 of (J)
Received

RD 3-12-52.

3.11.52 3.11.52

Routine file 109607/52-K

No. 24(6)-CL/50.
Government of India.
Ministry of Finance.
(Department of Economic Affairs.)

New Delhi. Dated. 13th November, 1952.

129592
15-11-52

Shri B. K. Kaul,
Deputy Secretary to the Government of India.

To

The Secretary to the Government of Madras,
Development Department, Madras.

Subject:- Eligibility of firms for membership of associations registered under section 26 of the Indian Companies Act.

Sir,

With reference to your letter No. 109607-K/52-1, dated the 3rd November, 1952, I am directed to say that the recommendations of the Company Law Committee are under active consideration of the Government and that their decisions on the subject will be communicated to you in due course.

Yours faithfully,

(B. K. Kaul.)
Deputy Secretary to the Government of India.

Dev. (K) Dept.

N. R. 25.12.52.

15.11.52

15.11.52

17/11

Remarks

Dev (K) Deptt

98/ Letter No. 109607-K/52-2 dated 26-12-52.

Issue
RR
26.12.52

To

The Secretary to the Govt. of India,
Ministry of Finance,
(Deptt. of Economic Affairs),
New Delhi

Sir,

Sub:- Acts – Indian Companies Act, 1913 –
Eligibility of firms for membership
of Associations registered under
Section 26.

Ref:- Shri Kaul's Letter No. 24(6)-CL/50 dated 13-11-52 & above.

I am directed to enquire when the final decisions of the Govt. of India on the recommendations of the Company Law Committee in the matter, may be expected.

Yours faithfully,

RR
24-12-52

60/24/12/52

Compld
31
29/12

N.R. 30-1-53.

99

No. 24(6)-CL/50.
Government of India.
Ministry of Finance.
(Department of Economic Affairs.)

New Delhi. Dated. 6th January, 53.

From

Shri B. K. Kaul, I.C.S.,
Deputy Secretary to the Government of India.

The Secretary to the Government of Madras,
Development Department., Madras.

2276
7-1-53

Subject:- Eligibility of firms for membership of Associations registered under section 26 of the Indian Companies Act.

Sir,

With reference to your letter No. 109607K/52-2 dated 26-12-52 on the above subject, I am directed to say that the Government of India are still considering the recommendations made by the Company Law Committee in this regard and that their decision will be embodied in the consolidated bill which is expected to be introduced in the Parliament during the current year for revision of company law.

Yours faithfully,

(B. K. Kaul.)
Deputy Secretary to the Government of India.

Dev. (K) Dept

Time 15/21
1-7-53

Letter No. 56305-K/53-1 dated 1-7-53.

To

The Secretary to the Govt. of India,
Ministry of Finance,
(Dept. of Economic Affairs),
New Delhi.

Compared 2.7.53

Sir,

Sub:- Acts - Indian Companies Act, 1913
Eligibility of firms for membership of Associations registered under section 26.

Ref:- ~~Correct~~ Sri Kaul's letter No. 24(b)-CL/50 dated 6-1-53

I am directed to invite a reference to the correspondence resting with the letter cited and to enquire the stage at which the matter now stands.

30.6.53. 30.6.53

Y.F. 30/6/53

N.R. 3-8-53.

p 97 cf (G)

Routine file

103

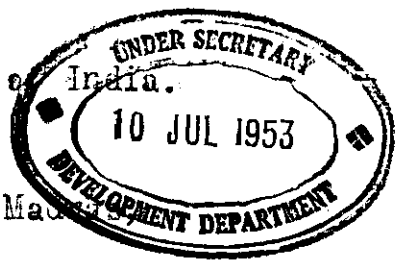
87076
10-7-53.

No. 24(6)-CL/50.
Government of India.
Ministry of Finance.
(Department of Economic Affairs.)

New Delhi. Dated. 8th July, 53.

From

Shri B. K. Kaul, I.C.S.,
Deputy Secretary to the Government of India.



To

The Secretary to the Government of Madras,
Development Department,
Madras.

Subject:- Eligibility of firms for membership of Associations registered under section 26 of the Indian Companies Act.

Sir,

Liaison

With reference to your letter No. 56305 K/53-1, dated the Ist July, 1953, I am directed to say that the proposed Bill relating to the revision of the Indian Companies Act is still in the drafting stage.

Yours faithfully,

(B. K. Kaul.)
Deputy Secretary to the Government of India.

C No-98870-K/50

DEVELOPMENT (C) DEPT.

SUB:- COMPANIES - Associations not for profit - The Kanara Kanara Chamber of Commerce - Amendments to articles of association - Approval.

REF:- From the Hony. Secretary, The Kanara Chamber of Commerce Mangalore, dated 25.9.1950 and 31.10.50.
From the Secretary, The Southern India Chamber of Commerce, No. K.2092/50 d/ 7.11.50.
From the Hony. Secretary, The Kanara Chamber of Commerce, dated 14.11.50.
From the R.J.S.C., No. C.3364/50 d/ 28.11.50.

pp.1-9 and 11-21 c.f.
p.23 c.f.
p.25 c.f.
pp.27-28 c.f.

The Kanara Chamber of Commerce ~~of~~ is an association not for profit registered under section 26 of the Indian Companies Act, 1913, having its registered office in South Kanara District. For the purposes mentioned in its letter dated 25.9.50, it has proposed certain amendments to its Articles of Association - (Vide pp.3-9 c.f.) and has applied to the Govt. for approval. Its subsequent representations to the Govt. in this regard on pp.11 and 25 c.f. and the letter from the Southern India Chamber of Commerce on p.23 c.f. may be perused. The remarks of the R.J.S.C., who was consulted on the proposed amendments, are on pp.27-28 c.f.

p.1 c.f.
3 on p.1 c.f.
p.2 c.f.

2. ~~According to the decision of~~ The Oudh Chief Court, in Ganesh Das Ram Gopal vs. R.C. Cotton Mills Co., Ltd., and another, has held that the Indian Companies Act, 1913, does not contemplate the registration of a firm, which is neither a person nor a legal entity, as member of a Company. The ~~late~~ Govt. Solicitor also expressed the view that the above ruling would apply also to Associations not for profit registered under section 26 of the Indian Companies Act, 1913. On a representation received from the Southern India Chamber of Commerce in January 1950 that the above ruling would cause great hardship to the Chambers of Commerce which have enrolled a number of firms as members, the question was examined in consultation with the R.J.S.C. and the Chamber was informed as in the letter on p.15 c.f. of (Q).

pp.1-9 and 11-21 c.f. (Q)
'M' on p.9 c.f. (Q)
pp.7-8 c.f. (Q)
para 4 of p.1 c.f. (Q)
pp.1-[illegible]
para 6 on p.1-3 c.f. (Q)
Vide pp.2-3 c.f. and note on p.16 c.f. (Q)
pp.1-22 (D)

3. The articles of association of the Kanara Chamber of Commerce, as existing at present, recognise firms as members of the Chamber. As this provision continues to exist in the articles in spite of the amendments now proposed by it,

the Chamber was asked by the R.J.S.C. to delete it. The Chamber has represented that the question of admitting firms as members of Chambers of Commerce is already engaging the attention of the Federation of Indian Chambers of Commerce and Industry, New Delhi, which proposes to place it before the Expert Committee constituted by the Govt. of India for amending the Indian Companies Act, 1913, and that, till a final decision is reached in the matter, the amendments now proposed by it need not be kept in abeyance and that they may be approved. The Southern India Chamber of Commerce has also addressed the Govt. on behalf of the Chamber. The contention of the Kanara Chamber of Commerce, in para 3 of its letter, that the opinion of the ex-Govt. Solicitor is being enforced only in South Kanara District is not based on facts as, under similar circumstances, the Calicut Chamber of Commerce and the Andhra Chamber of Commerce were asked to delete the provision in their articles of association allowing membership for firms and the directions have been complied with. In view of the several representations received in this regard, the R.J.S.C. has suggested that the Govt. of India may be addressed in the matter for their final decision as that would set at rest all controversies in this regard. For orders whether the Registrar's suggestion will be accepted and the Govt. of India addressed in the matter.

p.21 c.f. para 1 on p.13 c.f. para 3 on pp. 13-15 c.f. paras 4 and 5 ... p.15 c.f. p.23 c.f. pp. 1-2 c.f. (2) para 2 on p.3 c.f. 'A' on p.2 c.f. - 12 - May be addressed 9/1/50

4. The R.J.S.C. has also recommended that, in the meanwhile, in the circumstances explained by the Kanara Chamber of Commerce, the amendments proposed by it to its articles of association may be considered subject to the alterations indicated in para 3 on p.28 c.f. The approval of the amendments proposed by the Chamber will amount to going against the decision of the Oudh Chief Court and a reversal of the policy pursued by Govt. so far in this regard. As this may give rise to unnecessary complications, legal and otherwise, it does not seem desirable to approve the amendments proposed by the Chamber, pending a final ruling by the Govt. of India in the matter. For orders.

para 3 on p.2 c.f. pp 13-15 c.f. pp 3-9 and 17 c.f. A pp. 9-13 c.f. But the chamber be asked for any early orders. pp. 3-9 and 17 c.f. B

Further file may be sent to the Legal Dept. for remarks.

5. The file may be sent to the Legal Dept. for remarks.

1-12-50 2/12/50. 2/12/50 7-12-50 D.S.

Legal.

Dev. Dept. No. 10: 98870. K/50-4 dtd 2.12.50

Legal Department.

In view of A on page 2 ante, it is not desirable to approve the amendments proposed by the Chamber before obtaining the remarks of the Govt. of India on the general question of the registration of firms as members of companies. If considered necessary, the urgency of the matter may be emphasised in the proposed reference to the Govt. of India.

ASSISTANT SECRETARY 19329 3-DEC1950 LEGAL DEPARTMENT

Legal No 19329/50-4 9.12.50

8.12.50

125360 11-12-50

D.S. 8/12/50 Dev

Development Dept.

(Notes from p. 1 above)

1 Legal Dept. agree with the view expressed by this Dept. at 'B' on p. 2 above that it is not desirable to approve the amendments proposed by the Kanara Chamber of Commerce before obtaining the remarks of the Govt. of India on the general question of registration of firms as members of companies. In its letter dated 1.12.50 since received, the Chamber has requested that the amendment of its articles so as to exclude the provision recognising firms as its members need not be insisted upon till a final ruling is given by the Govt. of India in the matter and that the amendments proposed to the other articles may be approved. Apparently, the Chamber desires that the amendments proposed to articles other than articles 6, 7, and 8 should be approved. The fact that the articles of association of the Chamber contain provisions repugnant to company law having come to the notice of the Govt., it does not seem desirable

4 & p. 29 Cf

Vide p. 5 n 1

M 98870-K/50 2/18/12

to ingore it, especially in view of the fact that, under similar circumstances, two other Chambers of Commerce were made to delete from their articles the provision allowing membership for firms. There seems to be, therefore, no justification to approve the amendments proposed to articles other than to articles 6,7 and 8, notwithstanding the fact that they have no direct bearing on the articles which are considered objectionable. It is therefore for orders whether the Chamber may be informed that the Govt. decline to approve the amendments proposed to its articles pending a final ruling by the Govt. of India in the matter.

2. With reference to the representation from the Federation of Indian Chambers of Commerce and Industry on pp. 31-35 c.f., the Govt. of India have since requested this Govt. that they may be informed of the circumstances under which the view that a firm cannot be registered as a member of Chamber of Commerce was held -vide letter on p. 37 c.f. A copy of the ex-Govt.'s Solicitor's letter on pp. 7-8 c.f. and of the judgment of the Outh Chief Court in Ganesh Das Ram Gopal vs R. G. Cotton Mills Co. Ltd. on pp. 9-13 c.f. of (Q) may be forwarded to the Govt. of India and they may be informed that the view that firms are not eligible to become members of the Chambers of Commerce is based on the decision of the Oudh Chief Court and on the opinion of the ex-Govt. Solicitor.

3. Subject to orders, draft letters to the Govt. of India and to the Kanara Chamber of Commerce are submitted below for approval.

13.12.50.

14/12/50

M 14.12.50
DS

Please type the draft as amended.
14/12/50.
Retyped and Submitted.
14/12/50.

(Issued as letter No. 98870-K/50-5 dt. 21-12-50)
(Issued as letter No. 98870-M/50-6 dt. 21-12-50)

SECRETARY TO GOVERNMENT
21 DEC 1950
DEVELOPMENT DEPARTMENT

From the Hony. Secretary, The Kanara Chamber of Commerce, dated 10.1.51.

(Notes from the middle of p. 3 above)

Attention is invited to the letter from the Honorary Secretary, The Kanara Chamber of Commerce and its enclosure on pp. 49-53 c.f. The Chamber has represented that there is no justification on the part of the Govt. in withholding approval of such of the amendments proposed by it to its articles as have no bearing to the controversial issue of registration of firms as members of companies and has requested that, in view of the urgent need to give effect to the provisions of those amendments, the amendments may be approved without further delay. The question whether such of the amendments as have no direct bearing on the articles which are considered objectionable need be approved was already examined in para 1 of this Dept. note on pp. 3-4 above but it was considered not desirable to approve even those amendments pending a final ruling by the Govt. of India on the general question of the registration of firms as members of companies. The Govt. of India have been addressed for a decision in the matter and their reply is awaited. Pending a final ruling by the Govt. of India on the general question, it does not seem desirable to approve even such of the amendments as have no bearing on the articles which contain a provision allowing membership of firms. The remarks of Legal may be invited.

15-1-51. 16.1.51. 17.1.51. 19.1.51. 19.1.51.

Legal.

Legal Department

Dev Dept UO No. 98870-A/50-7 dy. 19-1-51

There seems to be no legal objection to approving such of the amendments as have no bearing on the question of registration of firms as members of companies. The note of this Department on page 3 ante did not relate to such amendments.

ASSISTANT SECRETARY 120 23JAN1951 LEGAL DEPARTMENT

3-2-51

3/2/51

b.

8
10/2

DEVELOPMENT DEPT. (K).

Notes from p.5 above may be read. In view of the remarks of Legal at "M" on p.5 above, the file may be circulated to H.M. (Ind) for orders whether such of the amendments to the articles of association of the Kanara Chamber of Commerce, as have no bearing on the question of registration of firms as members of companies will be approved, and if so, whether the Chamber may be asked to submit revised proposals ~~[illegible]~~ in this regard, through the R.J.S.C.

Pl Move
Brief
SE

BR
7-2-51.

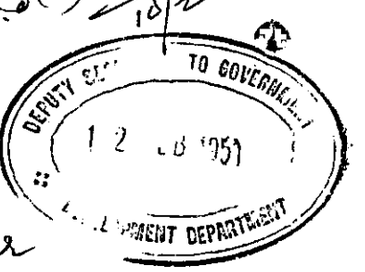
7/2/51 D.S.

TPP
7.2.51.

The Chambers request is
clearance for the formula the
Controversial portion hitherto
decided by the Govt of India
to forward with the revision of
the other portions may, I think,
be agreed to

9/2

H M (Ind) 10/2



Orders in circulation above

A draft letter to the Kanara Chamber of Chamber is submitted below for approval.

BR
13/2/51.

13/2/51

(Issued as letter no. 98870-K/50-10 dated 14-2-51)

From the Kanara Chamber of Commerce, d/ 7.3.51. pp 57-58 c.f.
From the Govt. of India, Ministry of Finance, No. 24(6)-ICL/50 d/-12.3.51. pp 57-58 c.f.
From the Kanara Chamber of Commerce, d/ 2.4.51.
From the R.J.S.C., No. C. 841/51 d/ 5.4.51.

With reference to this Dept. Letter on pp.57-58 c.f., the Kanara Chamber of Commerce has submitted, through the R.J.S.C., revised proposals for amendment of its articles of

of association - vide pp. 59-65 and 69 c.f. The amendments proposed have no bearing on the question of registration of firms as members of companies. The R.J.S.C. has recommended approval of the amendments. For orders whether the Registrar's recommendation will be accepted and the amendments will be approved.

2. In reply to this Dept. letter on p.45 c.f., the Govt. of India have stated that the question whether firms can be admitted as members of associations registered under section 26 of the Indian Companies Act, 1913, has been referred for consideration to the Company Law Expert Committee, which has been set up to examine the question of revision of the Indian Companies Act, 1913, and that the final decision of the Govt. of India will be communicated to this Govt. on receipt of the Committee's recommendation in this regard. As suggested by the R.J.S.C. on p.72 c.f., the Kanara Chamber of Commerce may be informed that it should delete references to firms in its articles of association if the Govt. of India decide that firms are not eligible to become members of associations registered under the Indian Companies Act, 1913. For orders.

3. Subject to orders, a draft order is submitted below for approval. Legal may see before issue.

9-4-51.

9.4.51.

10/4/51

DS

11/4

Legal

Dev Dept U.O. No: 98870.
K/50-14 dy. 11.4.51

18 APR 1951

6115
12 APR 1951

Legal.

17/4/51

Dev

Legal No 6115/51
17.4.51.

43315
18.4.51.

3

Dev. Dept.

(Notes from the bottom of p. 6 above)

The draft order below may now issue.

18.4.51

18.4.51.

(Issued as G.O. Ms. No: 1858 dy. 23.4.51)

Extract for use in 'K' Section

Dev. Dept K 9

Extract from the Call Book of 'K' Section.

S. No. 461

C.No → 72479-K/51
2.7.51

Date of entry in the register. 30-4-51

Subject: Companies - Associations not for profit - The Kanara Chamber of Commerce - Articles of association - Amendments.

Old C.No: 98870-K/50.

Number and date of G.O. authorising the entry. G.O. Ms. No. 1858, Dev. dt. 23-4-51 (para 2) — f 87 4

Date when posting action is to be taken 1-7-51.

2.7.51.

X 10

Def. Deptt

The Call Book entry extracted on p. 1 above has been made with reference to para 2 of Govt. MS. No. 1858, Def. dy. 23-4-51. No communication has been received from the Govt. of India since so far on the subject subsequent to their letter No. 24(6)-1CL/50 dy. 12-3-51. The Govt. of India may be reminded. Subject to orders, a draft letter to the Govt. of India is submitted below for approval.

GS 7.51

DR 4.7.51 7.7.51.

(Quoted as letter No. 72479-K/51-1 dy. 5-7.51) pp 1-2 Cf
from the Govt. of India, Ministry of Finance,
No. 24(6)-1CL/50 dy. 28-7-51. p 3 Cf

The reply from the Govt. of India on p. 3 Cf may be perused. As it will take sometime

more for the Govt. of India to arrive at a final decision in the matter (Company Law Expert Committee expected to submit its report to the Govt. of India only towards the end of October 1951), there seems to be no need to keep the file open. For orders where the papers may be lodged with a Call Book entry against 1-12-51 and added to the C.O. at (D).

30.7.51.

31.7.51

Calendar item No. 465 in the Call Book.

31.7.51.

A.S.

Extract from Call Book of Development Dept 13.
'K' Section.

1-12-51

S.No. 465

Date of entry in the register 31-7-57. C.No. 131090-K/57
1-12-51.

Subject: Companies — Associations not-for profit — The Kanara Chamber of Commerce — Articles of Association — Amendments.

Old C.No: 72479 - K/57.

No. and date of Go. etc. authorising the entry. — P.11 Nt. 'R'
Lodged No. 72479-K/57 dy. 31/5
[Added to Go. Ms. No. 1858, Dev. dy. 23.4.51] - (K)

Date when further action is to be taken. 1-12-51

1.12.51.

2/14

Development Dept

The Call Book entry extracted on p. 1 above has been made with reference to the letter from the Govt. of India on p. 89 cf (R) and the orders on p. 0/11 nf (R). ~~The Govt. of India may now be reminded~~ No further communication has been received from the Govt. of India on the subject. They may, perhaps, be reminded. Subject to orders, a draft-letter is submitted below for approval.

G.O. #858, D.V
23-11-1
Re. overt

1.12.51
3.12.51

3/12

(Issued as letter No. 131090-K/51-1 dated 3-12-51)

pp. 1-2 cf

From the Govt. of India, Ministry of Finance, letter No. 24(6)-C4/50 dated 24-1-52.

p. 3 cf

The reply from the Govt. of India on p. 3 cf may be perused. As it may take sometime more for the Govt. of India to arrive at a final

decision in the matter, it does not seem necessary to keep the file open. For orders whether the papers may be lodged with a Call Book entry against 1-6-52 and added to G.O. MS. no. 1858, Dev. dated 23-4-51.

Not put up.

28.1.52

28.1.52

Entered as item no. 475 in the Call Book.

4.2.52

D

Call Book Extract

9Le / 9

S.no.	495
Date of entry in the C.B.	1(..)-53
Subject.	Acts and Rules - Indian Companies Act 1913 - Eligibility of firms for membership of Associations registered under the section 26 of the Indian Companies Act 1913 - Amendment of articles of Association of South Kanara Chamber of Commerce.
No. & Date of G.O. etc authorising the entry	56305 K/53 dated No. 56305 K/53 dt 1(.)-53 addressed to Fo M.S. 1858 Dev dt 23.4.51
Date when further action is to be taken	1-12-53

FOURTH ASSISTANT SECRETARY
1 - DEC 1953
DEPARTMENT OF INDUSTRIES, LABOUR AND CO-OPERATION

Le
30/11/53

/To AS

Please See the Call Book Extract on p.1 above This relates to the question of taking suitable further action w.r.t. para 2 of G.O. No. 1858 Dev. dt. 23.4.51. This Govt cannot take further action now as the administration of the Indian Companies Act has been taken over by the Govt of India w.e.f. 1.10.53. The attention of the R.J.S.C may, however, be invited to para 2 of the G.O. and he may be asked to take necessary action after obtaining the ~~Govt of India's~~ orders of the G. of I. A draft memo is submitted below for approval. After issue, the papers may be stitched with those at (S).

15.12.53

17/12/53

18.12.53

f 834 of (S)

f 83 of (S)

12-1

I.L.C.(D)Deptt.

Memo.No.138627 D/53-1 dated 18-12-53

Sub: Acts and Rules - Indian Companies Act, 1913 - Eligibility of firms for membership of Associations registered under section 26 of the Indian Companies Act, 1913 - Amendment of articles of South Kanara Chamber of Commerce - ~~Deletion~~ Deletion of references to firms in the Chamber's Articles of Association - Further Action.

Ref: G.O.Ms.No.1858, Dev. dated 23-4-1951.

...

The attention of the R.J.S.C. is invited to paragraph 2 of the G.O. cited and he is informed that he may take suitable further action in the matter after obtaining the orders of the Government of India.

To the R.J.S.C.
Madras.

Extract from call Book of 'K' Section. Development (K) Deptt.

K

S. No. 2175

Date of entry in the register. C No. 60816-K/52
4-2-52
2.6.52.

Subject: Acts and Rules_ Indian Companies Act, 1913_ Eligibility of firms for membership by Associations registered under Section 26 of Indian Companies Act, 1913.

Old C No: 131090-K/51

No. and date of G.O. etc. authorising the entry. Lodged No: 131090-K/51 dt. 4-2-52. [Added to C.O. Mg. No. 1858, Dev. dt. 23-4-51.] pp 14-15nf ©

Date when further action is to be taken. 1-6-52

2.6.52

UNDER SECRETARY 2 JUN DEVELOPMENT DEPARTMENT

19/K

Development (K) Dept.

The Call Book entry extracted on p. 1 above has been made with reference to the letter from the Govt. of India on p. 93 cf (C) : C.D.M.B. No. 1858, Div. 23-4-51, and the orders on p. 15 nf (C). No further communication has been received so far from the Govt. of India on the subject. The Govt. of India have, however, since invited the comments of the State Govts., the High Courts, the Chambers of Commerce and other Trade Associations, on the report of the Company Laws Committee, recommended as a preliminary to the consideration of the report by them. The comments of this Govt. on the report of the Company Laws Committee have not yet been communicated to India. In the circumstances, it may take sometime more for the Govt. of India to arrive at a decision on the recommendations of the Committee in regard to the controversial subject of eligibility

[C.D. 3422-K/52] Not put up. Separate file.

The Report is under examination in Development

of firms for membership of associations registered under section 26 of the Indian Companies Act, 1913. It does not also seem necessary to remind the Govt. of India now in the matter. For orders whether the papers may be lodged with a fresh call Book entry against 1-10-52 and added to GOMS. No. 1858, Dev. dated 23-4-51

4.6.52

4.6.52

Entered as item No. 478 in the C.B.

5/6/52

Development Department (K)

Extract from the Call Book of 'K' Section

S. No. 478 C No. 109607-K/52
1-10-52

Date of entry in the register. 5-6-52

Subject: Acts and Rules — Indian Companies Act, 1913 — Eligibility of firms for membership of Associations registered under section 26 of Indian Companies Act, 1913

UNDER SECRETARY
1 OCT 1952
DEVELOPMENT DEPARTMENT

C No. 60816-K/52

No. of Go. etc. authorising the entry. Lodged No. 60816-K/52 dated 5-6-52. pp. 18-19 nf (J)
[Added to G.O.Ms. No. 1858, Dev. dt. 23-4-51] (J)

Date when further action is to be taken. 1-10-52

1-10-52.

22

Der (K) Dept.

The Call Book entry extracted on p. 1 above has been made with reference to the note of this Dept. and the orders thereon. On the comments of the Govt. on the report of the Company Law Committee have since been furnished to the Govt. of India pp. 18–19 ante ref. (J). No further communication has however been received so far from the Govt. of India on the subject. ~~The matter may now be reminded.~~ A draft letter is submitted below for approval. The comments of the Govt. on the recommendations of the Company Law Committee were forwarded to the Govt. of India only very recently. It is, therefore, not yet time to remind that Govt. The matter may be taken up with the Govt. of India after the expiry of a month or so.

2.10.52

3.10.52

No communication has been received so far from the Govt. of India on the subject. A draft reminder is submitted below for approval.

2.11.52.

3.11.52

p.1 c/f (Issued as letter No. 109.607-K/52-1 dated 3-11-52)
From the Govt. of India, Ministry of Finance, letter
p.5 c/f ... No. 24(6)-CL/50 dated 6-1-53.

The reply from the Govt. of India on p.5 c/f may be perused. As it may take sometime more for the Govt. of India to finalise their decisions in the form of a Bill, it does not seem necessary to keep the file open/ for orders whether the papers may be lodged and added to with a call Book entry against 1-5-53/ and added to the Ld. at (J). (to remind India if necessary)

Q.C.M.S.No.1855
23-4-51

8.1.53

Entered as item No 485 in the Call Book.
9-1-53.

Dev. (K) Dept 25

Extract from the Call Book of 'K' Section

S. No. 485

Date of entry in the register 9-1-53 C No. 56305-K/53 1-5-53.

Subject: Acts and Rules – Indian Companies Acts, 1913 – Eligibility of firms for membership of Associations registered under Section 26 of Indian Companies Act, 1913.

and C No. 109602-K/52

No. and date of G.O. etc. authorising the entry. Lodged No. 109607-K/52 9-1-53. [Added to G.O. Ms. No. 1858, Dev. dt. 23-4-51] (G) (G) P23 Mf

Date when further action is to be taken. 1-5-53.

AR 1-5-53.

SECRETARY 1-JUL 1958 DEVELOPMENT DEPARTMENT

2b

Dev. (K) Dept

The Cable Book entry extracted on p.1 above, has been made with reference to the notes by this Dept. and the orders thereon on p.2 & 2 xf (G). No further communication has been received so far from the Govt. of India on the subject. The Govt. of India have, however, recently stated in another connection that the draft Bill to amend ~~the~~ the Indian Companies Act, 1913, in the light of the recommendations of the Company Law Committee is being drafted for introduction in the Parliament at an early date. vide ✓ C No. 89250. K/52. para 3 on p. 3 ef of linked file. It seems, therefore, too early now to remind that Govt. in the Removed matter. It may be over till 29-6-53 when the Govt. of India may be reminded, if necessary

4.5.53. 4.5.53

(Issued as letter No. 56305-K/53-1 dtd. 1-7-53)

From the Govt of India, Ministry of Finance, letter No. 24(8)-CL/50 dtd. 8.7.53.

(Notes from P.1 above)

The Govt of India, who have been consulted, have stated that the proposed Bill relating to the revision of the Indian Companies Act, 1913 is still in the drafting stage. As it may take a long time for the Bill to be passed into law, it does not seem necessary to keep this file open till then. The orders whether the papers may be lodged with a Call Book entry against 1-12-53 and added to the G.O. at (G)

BR 10.7.53 TTP 11.7.53.

11/7/53

Call No. 1858, P.V. 27-4-51.

Entered as item No. 495 in the CB.

BR 11.7.53.

Rule up paper (D).

MEMORANDUM

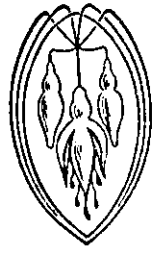
AND

ARTICLES OF ASSOCIATION

OF

The Kanara Chamber of Commerce,

MANGALORE.



1940

MEMORANDUM OF ASSOCIATION

OF

The Kanara Chamber of Commerce, Mangalore.

The name of the Association is "THE KANARA CHAMBER OF COMMERCE."

2. The Registered Office of the Association will be situated in the Madras Province.

3. The objects for which the Association is established are:—

(1) To promote and protect the trade, commerce and manufactures of India and in particular of the District of South Kanara, to study the general commercial interests of India or any part thereof and the interests of persons engaged therein.

(2) To consider all questions connected with trade, commerce and manufactures and to collect and circulate statistics and other information relating thereto.

(3) To promote or oppose proposed legislative and other measures affecting trade, commerce and manufactures.

(4) To adjust controversies between members of the Association, to arbitrate in the settlement of disputes arising out of commercial transactions between parties willing or agreeing to abide by the judgment and decision of the Association.

(5) To establish just and equitable principles in trade.

(6) To form a code or codes of practice to simplify and facilitate the transaction of business and to maintain uniformity in rules, regulations and usages of trade.

(7) To communicate with Chambers of Commerce and other Mercantile and public bodies throughout the world and concert and promote measures for the protection of trade, commerce and manufactures and persons engaged therein.

(8) To contribute to and conduct, and to provide premises and other facilities for holding and conducting, sales of property,

brokerage or commercial transactions, meetings of creditors, companies or Arbitrators, and other like matters.

(9) To establish and conduct in or in connection with any building or room erected, provided, regulated or maintained by the Association for the purposes aforesaid, a restaurant and or club for the use of the members of the Association and others resorting to such building or room for the negotiation or transaction of business, and to afford all the usual advantages, privileges and conveniences of a club.

(10) To establish, promote, maintain, conduct and contribute to (a) educational institutions or Scholarships for the spread of knowledge of commerce and trade and industries (b) any legal competition and any exhibition of works of Art or interest and to grant prizes, rewards and donations.

(11) To acquire by purchase, lease or otherwise, lands and buildings and all other property, moveable and immoveable, which the Association for the purposes thereof, may from time to time think proper to acquire.

(12) To sell, improve, manage develop, exchange, lease or let under lease, sub-let, mortgage, dispose of, turn to account or otherwise deal with, all or any part of the property of the Association.

(13) To construct upon any premises acquired for the purposes of the Association any building or buildings for the purpose of the Association and alter, add to, or remove, any building upon such premises.

(14) To invest and deal with the moneys of the Association in such manner as may from time to time be determined.

(15) To borrow or raise any moneys required for the purposes of the Association upon such terms and in such manner and in such securities as may be determined, and in particular by the issue of debentures charged upon all or any of the property of the Association.

(16) To devote, apply or subscribe any money, securities, stocks or shares, bequeathed or made over to the Association to such charitable or benevolent objects, or for any public, general

or useful object or purpose as the donor may direct, or where no such directions are given, as the Association may in General Meeting from time to time determine.

(17) To subscribe to, become a member of and co-operate with any other Association whether incorporated or not, whose objects are altogether or in part similar to those of this Association, and to procure from and communicate to any such Association such information as may be likely to forward the objects of this Association

(18) To do all such other things as may be conducive to the extension of trade, commerce or manufactures or incidental to the attainment of the above objects or any of them.

(19) The objects of this chamber shall extend to the whole of British India, and the Indian States.

4. The income and property of the Association whencesoever derived shall be applied solely towards the promotion of the objects of the Association as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise howsoever by way of profit to the persons who at any time are or have been members of the Association or to any of them or to any person claiming through any of them. Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Association or to any member thereof or other person in return for any services actually rendered to the Association or the payment of interest or money borrowed from any member of the Association. Provided further that no member of the Committee of Management or of the Governing Body of the Association shall be appointed to any salaried office of the Association paid by fees and that no remuneration shall be given by the Association to any member of such Committee or Governing Body except repayment of out-of-pocket expenses and interest on money lent or rent for premises demised to the Association.

5. The fourth paragraph of this Memorandum is a condition on which a licence is granted by the Government of Madras to

the Association in pursuance of Section 26 of the Indian Companies Act, 1913.

6. The liability of the members is limited.

7. Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound-up during the time that he is a member or within one year afterwards, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves, such amounts as may be required, not exceeding Rs. 10/- (Rupees ten) only.

8. If upon the winding up or dissolution of the Association there remains after the satisfaction of all its debts and liabilities, any property whatsoever the same shall not be paid to or distributed among the members of the Association, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Association, to be determined by the members of the Association at or before the time of the dissolution and in default thereof by the High Court of Judicature at Madras.

9. True accounts shall be kept of sums of money received and expended by the Association and the matters in respect of which receipts and expenditure take place and of the property credits and liabilities of the Association and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations for the time being of the Association these accounts shall be open to the inspection of the members. Once at least in every year the accounts of the Association shall be examined and the correctness of the balance sheet ascertained by one or more properly qualified Auditor or Auditors.

We, the several persons whose names and addresses are subscribed are desirous of being formed into an Association in pursuance of this Memorandum of Association.

Names, Addresses and Descriptions of Subscribers.

1. Anantha Pai, M. G., of Messrs. Srinivasa Ranga Pai, Diamonds, Yarn and Cloth Merchants, Car Street, Mangalore.
2. Dada Ibrahim of Messrs. Dawood Gani Hassam & Co., Coffee & Produce Merchants, Bunder, Mangalore.
3. Mahamod Sakoor of Abdul Sakoor Tayoob, Coffee & Produce Merchants, Bunder, Mangalore.
4. S. Narayana Nayak, Partner, Messrs. Sujeer Rayappa Nayak & Co., General Merchants & Commission Agents, Bunder, Mangalore.
5. S. Nagappa Nayak, Rice & General Merchant, Bunder, Mangalore.
6. M. Annappa Nayak of Messrs. M. A. Krishna Nayak & Sons, Hardware & General Merchants, Golikatta Bazaar, Mangalore.
7. K. Keshava Shenoy, Partner, Konchady Appaya Shanbhogue & Co., Rice & General Merchants and Commission Agents, Bunder, Mangalore,

Dated 20th day of December 1940.

Witness to the above signatures:—P. Dasa Kini, son of Panambur Venkatramana Kini, Accountant, Canara Bank Ltd., Mangalore.

ARTICLES OF ASSOCIATION

OF

The Kanara Chamber of Commerce, Mangalore.

1. In these Articles, unless there be something in the subject or context inconsistent therewith:—

(a) "THE CHAMBER" means the KANARA CHAMBER OF COMMERCE, MANGALORE, licensed under Section 26 of the Indian Companies' Act 1913.

(b) "MEMBER" means a member of the Chamber.

(c) "THE PRESIDENT" means the President for the time being of the Chamber.

(d) "THE VICE-PRESIDENT" means the Vice-President for the time being of the Chamber.

(e) "THE TREASURER" means the Treasurer for the time being of the Chamber.

(f) "THE SECRETARY" means the Secretary for the time being of the Chamber.

(g) "THE COMMITTEE" means the Committee for the time being of the Chamber.

(h) "ARTICLES" means the Articles of Association of the Chamber as originally framed or as altered by the required resolution.

(i) "MEMORANDUM" means the Memorandum of Association of the Chamber as originally framed or as altered in pursuance of the provision of Indian Companies' Act 1913 hereinafter called the "Act" or any amendment thereof for the time being in force.

(j) "YEAR" means Official Year.

And unless the context otherwise requires, expressions defined in the Indian Companies' Act 1913, shall have the meanings so defined.

2 For the purpose of registration the Chamber is declared to consist of 100 members. The Committee may when they think fit register an increase of members.

3. The Chamber is established for the purposes expressed in the Memorandum of Association.

MEMBERS.

4. There shall be two classes of members, namely, Chamber Members and Honorary Members.

5. All persons, Firms, Associations, Companies or Corporations who have signed the Memorandum of Association or forms agreeing to become members, not later than the date of Registration, shall be deemed to have become members of the Chamber.

6. Merchants, bankers, ship-owners, representatives of commercial, Railway and Insurance Companies, brokers and persons engaged in commerce, agriculture, mining or manufacture and persons engaged in or connected with art, science, literature or law shall be eligible for membership. Provided that such persons or individuals do generally reside in the District of South Kanara and in the case of firm, association, company or corporation, that it has a place of business or a branch office within the limits of the District of South Kanara.

7. These articles relating to membership of the Chamber shall apply to firms, associations, joint stock companies or other corporations who may become members in their conventional or corporate name and the rights and privileges of membership may be exercised by any partner, member or duly authorized person in the case of firms and associations and by any responsible officer in the case of companies or corporations.

PROCEDURE.

8. Persons, firms, associations, joint stock companies or other corporations who are desirous of becoming members, shall properly and completely fill in the admission form with the details required therein and sign the same, and shall be duly proposed by one and seconded by another member of the Chamber. The admission form shall be sent to the Secretary, who shall bring it before the Committee, hereinafter mentioned, who will decide upon the elec-

tion or admission of the applicant by a majority of votes and their decision as to the eligibility or otherwise shall be final. When a candidate is duly elected, his election shall be notified to him by the Secretary, and upon payment of his entrance fee and subscription, but not before, the candidate shall be entitled to the privileges and advantages of the membership of the Chamber.

ADMISSION FEES AND ANNUAL SUBSCRIPTIONS.

9. Each Chamber member elected or admitted under the above articles shall forthwith pay an entrance fee of Rs. 5/-.

10. The annual subscription of each member shall be Rs. 12/- payable in advance in quarterly instalments in the month of January, April, July and October every year.

HONORARY MEMBERS.

11. Officials and others indirectly connected with the trade, commerce or manufactures of India or who may have rendered distinguished service to the interests represented by the Chamber may be elected by the Committee Honorary members of the Chamber. Honorary members shall be entitled to attend and speak but not to vote at any General Meeting or on invitation by the President or the Vice-President or the Chairman as the case may be, attend at any meeting of the Committee under like conditions. Honorary members shall not be required to subscribe to the funds of the Chamber.

DISQUALIFICATION OF MEMBERS.

12. A member shall cease to be a member and his name removed from the register of members:—

(1) If he is adjudicated insolvent or becomes bankrupt.

(2) If he is found to be of unsound mind.

(3) If his subscription shall be three months in arrear and if he does not pay such arrears within one month after notice calling for such payment.

(4) If he is found to have flagrantly acted against the interests of the Chamber or violated its rules or bye-laws for the time being in force or is found to persist in such undesirable activities after due warning.

13. Except as hereinbefore provided a firm shall not cease to be a member by reason only of a change in the constitution of the firm occasioned by the admission or retirement or death of a partner provided the business of the firm is continued in the conventional name in which such firm was elected a member.

14. A firm, association, a joint stock company or other corporation shall cease to be a member upon any change being made in the conventional or corporate name of the firm, association, company or corporation.

15. Any member may withdraw from the Chamber on the last day of June or December in any year by giving not less than one calendar month's notice in writing to the Secretary of the intention of such members so to do and upon the expiration of the notice such member shall cease to be a member.

16. A majority of 3/4 of the members present in person and entitled to vote at an annual or an extraordinary general meeting of the Chamber duly convened and held may by resolution expel any member and any such person, firm, association, company or corporation shall from the passing of such resolution cease to be a member of the Chamber and such member shall not be eligible for re-election.

17. Any member who shall by any means cease to be a member shall nevertheless remain liable for and shall pay to the Chamber all moneys which at the time of such member ceasing to be a member may be due from such member to the Chamber.

REGISTER OF MEMBERS.

18. A list or register of members shall be kept in which shall be set forth the names and addresses of the members, Chamber and Honorary, for the time being and in which all changes in membership from time to time taking place shall be recorded. There shall be entered in such register such other details as the Committee may determine from time to time.

19. The register of members shall be kept at the Registered Office of the Chamber and shall be open to inspection by any member of the Chamber, subject to such restrictions as the Committee may determine.

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GENERAL MEETINGS.

20. The first General Meeting shall be held at such time not being less than one month nor more than three months after the incorporation of the Chamber and at such place as the Committee may determine; whereat the Committee shall place a report before the meeting as to the enrolment of members, the initial expenses etc., incurred in getting the Chamber as a registered body and the budgeting position of the Chamber. The first Committee shall retire and a new one elected at the meeting, and an auditor or auditors appointed at the Meeting.

21. A General Meeting of the Chamber shall be held at least once in every year and not more than fifteen months after the holding of the preceding Annual Meeting and at such time and place as may be determined by the Committee. The above mentioned general meetings shall be called ordinary General Meetings and all other general meetings shall be called extraordinary general meetings.

22. The Committee may whenever they think fit, and shall on a requisition made in writing by any ten or more members call an extraordinary general meeting.

23. Any requisition made by the members shall express the objects of the meeting proposed to be called and shall be left at the Registered Office of the Chamber. It must be signed by the requisitionists and may consist of several documents in like form, each signed by one or more requisitionists.

24. On receipt of such requisition, the Committee shall forthwith proceed to convene an extraordinary general meeting. If they do not proceed to convene the same within twenty one days after the receipt of the requisition, the requisitionists or any ten members may themselves convene an extraordinary general meeting to be held within three months from the date of the requisition, on such day and at such place as the persons convening the same may determine. Any meeting convened under this article by the requisitionists shall be convened in the same manner or as nearly as possible as that in which meetings are to be convened by the Committee.

25. Fourteen days' clear notice (Twentyone days in the case of special resolutions) to the members specifying the place, day and

hour of the meeting and in case of special business, the general nature of such business shall be given by advertisement, if necessary, and also by notice sent by post or otherwise served as provided by the Act; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

PROCEEDINGS OF GENERAL MEETINGS.

26. The business of any Annual General Meeting shall be to receive and consider the Committee's Report on the working of the Chamber, to receive and adopt the income and expenditure account, the audited balance sheet and the Auditor's Report, the election of the Committee, in the place of the retiring one and the election and fixing the remuneration of auditor or auditors for the ensuing year.

27. All other business transacted at an Annual General Meeting and all business at an extraordinary general meeting shall be deemed special.

28 No business shall be transacted at any General Meeting unless a quorum of members is present at the commencement of the business. Ten Chamber members personally present shall be a quorum for a General Meeting.

29. If within half an hour from the time appointed for the meeting a quorum of members is not present, the meeting, if convened on the requisition of members shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place. At such adjourned meeting the members present and entitled to vote whatever their number shall form a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place if a quorum had been present.

30. The President or in his absence the Vice-President shall preside as Chairman at every general meeting of the Chamber; if there be no President or Vice-President present at any meeting at the time of holding the same, the members present shall choose someone of their number to be Chairman of the meeting.

31. The Chairman may with the consent of the meeting adjourn any meeting from time to time and from place to place

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but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

32. Twenty-one clear days' notice at least, specifying the place, the day and the hour of the meeting and the nature of the special business shall be given of any extraordinary general meeting convened to consider, revise, amend the bye-laws or rules or alter regulations of the Chamber as contained in these Articles of Association.

VOTES OF MEMBERS.

33. At every general meeting all questions shall be determined immediately by a show of hands; unless a poll is demanded by atleast three members, a declaration by the Chairman that a resolution special or otherwise has been carried with the requisite majority and an entry to that effect in the book of Proceedings of the Chamber shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

34. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

35. On a poll votes may be given either personally or by proxy. Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Section 80 of the Act is in force. A proxy shall be appointed in writing under the hand of the appointor, or if such appointor is a corporation, under its common seal.

36. (1) No person shall act as a proxy unles he is a member, or unless he is appointed to act at the meeting as proxy for a corporation.

(2) The instrument appointing him shall be deposited at the registered office of the Chamber not less than seventy-two hours before the time of holding the meeting at which he proposes to vote.

37. The instrument appointing a proxy shall be in the following form:

46. Any Chamber member, any partner in or person holding a power of attorney or letter of procuration from a firm registered as a Chamber member in their conventional name, and any person being a responsible officer of any association or Joint Stock Company or other corporation registered as a Chamber member in his corporate name shall be eligible for election as President or Vice-President or as an ordinary member of the Committee and during the tenure of office of such member no other partner or person representing the same firm, association, company or corporation as the case may be shall be eligible for election as an officer or member of the Committee.

47. Any vacancy or vacancies, casual or otherwise occurring in the office of the President, Vice-President, Treasurer, Secretary or of any member of the Committee, shall be filled up by the remaining members and shall be valid until the next annual general meeting.

48. The Committee shall have power from time to time to co-opt any person or persons for special purposes but the persons so co-opted shall have no right of voting at meetings of the Committee.

49. The Committee shall meet at such times for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A member of the Committee and the Secretary on the requisition of a committee member shall at any time summon a meeting of the Committee. The quorum for the meeting of the Committee shall be four.

50. The Committee may delegate any of their powers to sub-committees consisting of such of the members of the Chamber as they think fit and any sub-committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the committee and the Act.

POWERS OF THE COMMITTEE.

51. The management of the business and funds of the Chamber shall be vested in the Committee who may exercise all such powers

of the Chamber and do all such acts and things as may be exercised or done by the Chamber and are not hereby or by law expressly directed or required to be exercised or done by the Chamber in General Meeting; but no regulation made by the Chamber in general meeting shall invalidate any prior act of the Committee, which would have been valid if that regulation had not been made.

52. Without prejudice to the general powers conferred by the above Article, the Committee shall have power:—

(1) To appoint any departmental committees or sub-committees and such departmental committees or sub-committees may be permanent or temporary or for special purposes as the committee may determine.

(2) To make, vary and repeal bye-laws or rules for the regulation of the business of the Chamber, of the officers or servants or agents or of the members of the Chamber, or of any department or section of the Chamber.

(3) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Chamber.

(4) To appoint and to remove or suspend, Secretary, Secretaries officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and determine their powers and duties and to fix their salaries, wages, commission or emoluments.

(5) To purchase all articles and things which may from time to time be required by the Chamber and to pay for the same in cash or otherwise as may be deemed expedient.

(6) To purchase, take on lease or otherwise acquire any land, building, houses or other immovable property as may be required or deemed expedient for the purposes of the Chamber.

(7) To commence, institute, prosecute and defend all such actions and suits as the committee may deem necessary or expedient on the part of the Chamber and to compromise or submit to arbitration the same actions and suits as the committee in their discretion may think fit.

(8) To make and give receipts, releases and other discharges for money payable to the Chamber and for the claims and demands of the Chamber.

(9) To determine the manner in which bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by or on behalf of the Chamber.

(10) To establish and support or aid in the establishment and support of Associations, institutions, funds or trusts, calculated to benefit the Chamber.

(11) To invest and deal with any of the moneys of the Chamber not immediately required for the purposes thereof upon such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

(12) To enter into arrangements upon such terms and subject to such conditions as the committee may deem desirable for working in connection with any Association organised for the protection or better development of any branch of trade, commerce or manufacture in India or with like objects, that may apply to be allowed to work in connection with the Chamber, provided the objects for which such Association is or shall be formed are not inconsistent with the objects of the Chamber as defined in its Memorandum of Association.

PRESIDENT.

53. The President when present shall preside at all meetings of the Committee, at all general meetings and over all deputations. He shall preside at the annual General Meeting and address the members on such subjects as he may deem proper to bring to their notice. The President shall have an original and in case of equality, a casting vote at all meetings and shall perform such other duties as may be incidental to the office of President.

VICE-PRESIDENT.

54. The Vice-President in the absence of the President shall have the powers and perform the duties of the President.

TREASURER.

55. The Treasurer shall collect all dues from members of the Association or from any committee or any Association working

in connection with the Chamber and shall keep an account of the funds of the Chamber and of funds connected with or in any way controlled by the Chamber and shall have charge of all the monies belonging to the Chamber.

SECRETARY.

56. The Secretary shall devote himself to the business and affairs of the Chamber and shall have charge of all correspondence. He shall keep accurate minutes of all meetings of the Chamber and of the Committee, of departmental committees and sub-committees and of all Associations connected with the Chamber. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Chamber. He shall give notice of all meetings of the Chamber, of the committee, of departmental committees and sub-committees of the Chamber and shall duly notify members of their election. He shall prepare the annual report of the Chamber under the guidance of the committee and the reports of all the committees and of all Associations connected with the Chamber and generally shall perform all such duties as are incidental to his office.

MINUTES.

57. The committee shall cause minutes to be duly entered in books provided for the purpose:—

(1) Of all appointments of officers.

(2) Of the names of the members of the committee present at each meeting of the committee and of any sub-committee

(3) Of all orders made by the committee and any sub-committee.

(4) Of all resolutions and proceedings of general meetings and of meetings of the committee and any sub-committee

and any such minutes of any meeting of the Committee or of any sub-committee or of the Chamber if purporting to be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.

58. The books containing the minutes of proceedings of any general meeting of the Chamber shall be kept at the Registered

Office of the Chamber and shall during business hours, subject to such reasonable restrictions as the committee may impose, be open to the inspection of any member without any charge.

59. The Chamber may by a special resolution remove any member, President or Vice-President or other officer, of the committee before the expiration of his period of office and by Ordinary resolution appoint another person in his stead to hold office until the next annual general meeting.

60. The Committee shall not, except with the consent of the Chamber in general meeting expel any member or remove his name from the register.

61. The office of President. Vice-President or any other officer of the Chamber shall be vacated if the holder is:

(1) Found to be of unsound mind by a competent court.

(2) Adjudged an insolvent.

(3) Fails to pay any calls for moneys due by him to the Chamber.

(4) Holds any office of profit under the Chamber.

(5) Absents himself from three consecutive meetings of the Committee without leave of absence from the committee.

(6) Acts in a manner proved to the satisfaction of the committee to be prejudicial to the interests of the Chamber or to the resolutions of the Chamber.

62. The Committee shall keep at its registered office a register of the President, Vice-President, Officers and members of the committee containing name, address, business, occupation in the case of individuals and in the case of a firm, the full name, address of each partner, and in the case of an association or corporation, its conventional or corporate name and registered office and the names and addresses of its directors or principal officers. The register shall be open to inspection by any Chamber member without charge during business hours.

ACCOUNTS & AUDITING.

63. The committee shall cause to be kept proper books of account with respect to all sums of money received and expended by the Chamber and the matters in respect of which the receipt

and expenditure takes place and of the assets, credits and liabilities thereof, which books of accounts shall be kept at the registered Office of the Chamber or at such place or places and in the charge of such person or persons as the committee may from time to time direct and shall be open to inspection by the members of the committee during business hours.

64. The committee shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and the books of the Chamber or any of them shall be open to the inspection of the members (not being members of the committee) and no member (not being a member of the committee) shall have any right of inspecting any account or book or document of the Chamber except as conferred by law or authorised by the committee or by the Chamber in general meeting.

65. At the Annual General Meeting in each year the committee shall lay before the Chamber an income and expenditure account and a balance sheet containing a summary of the property and liabilities of the Chamber made up to a date not more than six months before the meeting from the time when the last preceding account and balance sheet were made up, or in the case of the first account and balance sheet from the incorporation of the Chamber.

66. Every such balance sheet shall be accompanied by a report of the committee as to the financial state and condition of the Chamber and shall be signed on behalf of the committee by at least two members of the committee and countersigned by the Secretary.

67. A printed copy of such account and balance sheet and report of the committee and auditors shall, at least fourteen clear days previous to the meeting, be served on every member of the Chamber in the manner in which notices are hereinafter directed to be served and a copy shall also be deposited at the Registered Office of the Chamber for the inspection of members during a period of atleast fourteen clear days before the meeting.

AUDIT.

68. Once atleast in every year the accounts of the Chamber shall be examined and the correctness of the Income and Expen-

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future Account and Balance Sheet ascertained by one or more qualified Auditor or Auditors.

69. The Chamber at each Annual General Meeting shall appoint an Auditor or Auditors duly qualified to hold office until the next annual general meeting and the following provisions shall have effect, that is to say:—

(1) A member of the committee or other officer of the Chamber and a partner of such member or officer and any persons in the employment of such member or officer and any person indebted to the Chamber shall not be capable of being appointed an Auditor of the Chamber.

(2) A person other than a retiring auditor shall not be capable of being appointed auditor at an Annual General Meeting unless notice of intention to nominate such person to the office of auditor shall have been given by a member to the Secretary not less than fourteen days before the meeting; and the Secretary shall send a copy of any such notice to the retiring auditors and shall give notice thereof to the members either by advertisement or in any other manner allowed by the articles not less than seven days before the meeting.

(3) The first Auditors of the Chamber may be appointed by the Committee and shall hold office until the first annual general meeting unless previously removed by a resolution of the members in General Meeting in which case the members at that meeting may appoint Auditors.

(4) The committee may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

(5) The remuneration of the auditors shall be fixed by the Chamber in general meeting except that the remuneration of any auditor appointed to fill any casual vacancy may be fixed by the Committee.

(6) If an appointment of auditor is not made at an annual general meeting, the Government of Madras, on the application of any member of the chamber appoint an auditor for the current year and fix the remuneration to be paid to him by the Chamber for his services.

70. The auditors shall report to the members on the accounts examined by them and on every balance sheet laid before the Chamber in general meeting during their tenure of office and on every such report shall state:—

(1) Whether or not they have obtained all the information and explanation they have required, and

(2) Whether in their opinion, the balance sheet referred to in the report is drawn up so as to exhibit a true and correct view of the state of the Chamber's affairs according to the best of their information and the explanations given to them and as shown by the books of the Chamber.

71. Every Auditor of the Chamber shall have a right of access at all times to the books and accounts and vouchers of the Chamber and shall be entitled to require from the committee and all officers of the Chamber such information and explanations as may be necessary for the performance of the duties of the auditors.

NOTICES.

72. A notice may be given by the Chamber to any member either personally or by sending it by post to him to his registered address in British India or to the address in British India given by him to the Chamber for giving of notices to him. Otherwise notices to members shall be served in accordance with the Regulations as to notices in Table A in the First Schedule to the Act.

73. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

74. A notice may be served on the Chamber by leaving it at or by sending it by post to the registered office of the Chamber.

SEAL.

75. The committee shall forthwith provide a common seal for the purpose of the Chamber and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and it shall not be used except by the resolution of the

23.

committee and in the presence of the President or Vice-President of the Chamber who shall sign every instrument to which the seal of the Chamber is so affixed.

Names, addresses and descriptions of subscribers.

1. Anantha Pai, M. G. of Messrs. Srinivasa Ranga Pai, Diamonds, Yarn and Cloth Merchants, Car Street, Mangalore.
2. Dada Ibrahim of Messrs. Dawood Gani Hassam & Co., Coffee & Produce Merchants, Bunder, Mangalore.
3. Mahamod Sakoor of Abdul Sakoor Tayoob, Coffee & Produce Merchants, Bunder, Mangalore.
4. S. Narayana Nayak, Partner, Messrs. Sujeer Rayappa Nayak & Co., General Merchants & Commission Agents, Bunder, Mangalore.
5. S. Nagappa Nayak, Rice & General Merchant, Bunder, Mangalore.
6. M. Annappa Nayak of Messrs. M. A. Krishna Nayak & Sons, Hardware & General Merchants, Golikatta Bazaar, Mangalore.
7. K. Keshav Shenoy, Partner, Messrs. Konchady Appaya Shanbhogue & Co., Rice & General Merchants and Commission Agents, Bunder, Mangalore.

Dated 20th day of December 1940.

Witness to the above signatures:—P. Dasa Kini, son of Panambur Venkatramana Kini, Accountant, Canara Bank Ltd., Mangalore.

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